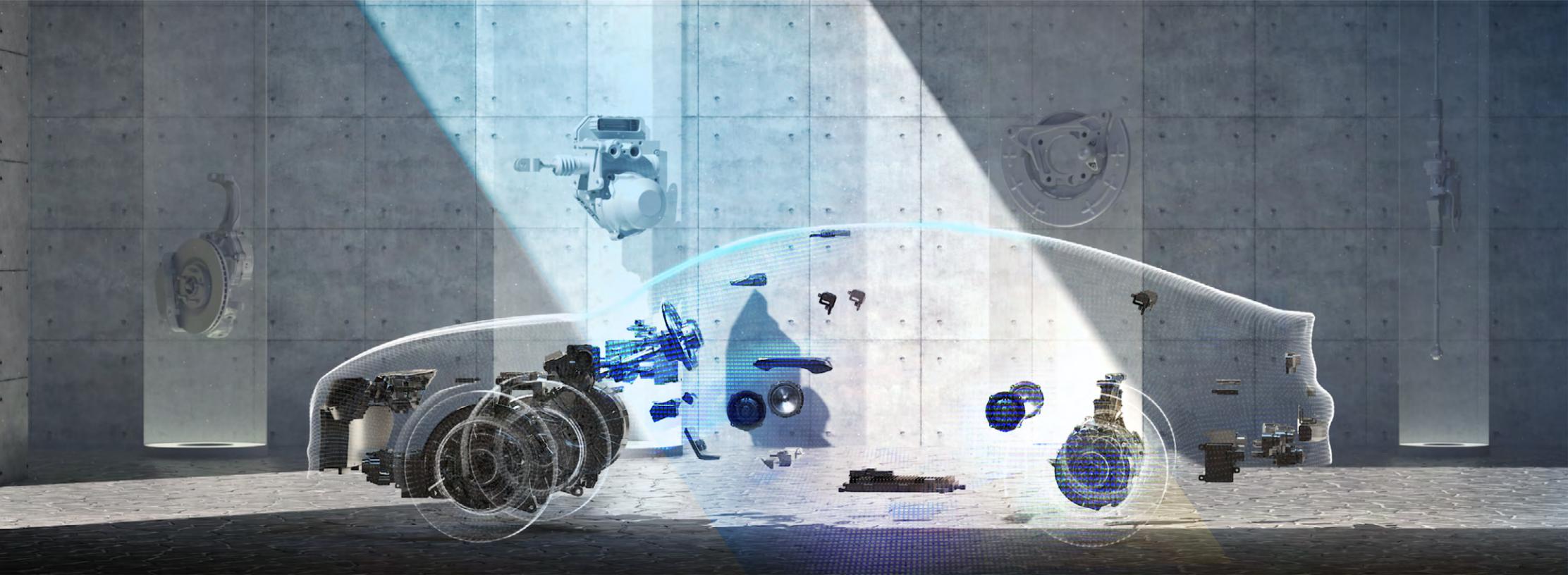


# HYUNDAI MOBIS SUSTAINABILITY REPORT 2022



INNOVATION FOR HUMANITY, MOBILITY FOR TOMORROW



# HYUNDAI MOBIS SUSTAINABILITY REPORT 2022

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Letter to Stakeholders

# Message from the CEO



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Dear Stakeholders,

Following last year, uncertainties in the internal and external business environment such as global supply chain instability and increase in raw material price are continuing this year. The global automobile industry is transforming rapidly led by advanced technologies including electrification, autonomous driving, and connectivity, and the competition of new technologies to dominate the future mobility market is intensifying.

Under the circumstances, Hyundai Mobis dedicated utmost effort over the course of last year to strengthening the profitability of the existing businesses and securing a future growth engine. As a result, we recorded consolidated sales of KRW 41.70 trillion and operating profit of KRW 2.04 trillion.

As a global automotive parts company entering the era of future mobility under the keywords 'technological innovation, convergence, and connectivity', Hyundai Mobis focuses on providing customers with differentiated mobility experience and joy.

In line with our vision of "Innovation for Humanity, Mobility for Tomorrow," we are promoting a company-wide transformation to advance as a future smart mobility innovator. In doing so, we will secure future competitiveness by creating innovative products through the application of our software and semiconductor capacities to key parts technologies for which we have global competitiveness.

In addition, we will preemptively respond to and control the risks occurring in the uncertain business environment by improving the profitability of our existing businesses and strengthening company operation. We will optimize business operation by establishing an organizational culture wherein not only the management but also every employee strives to improve on and resolve risks starting from basic daily tasks.

This year, Hyundai Mobis will focus on the following areas in order to create a better future for stakeholders and advance further as a sustainable company:



“  
We at Hyundai Mobis will  
strengthen future competitiveness  
by changing the way we work and  
taking on new challenges.  
”



**First, we will enhance our brand value in the global market by securing internal capacities to develop key technologies for future mobility.**

Securing future competitiveness requires the capacity to develop independently key technologies that are needed in the global market.

Key technology development starts from swiftly identifying market changes and customer needs and leading the changes. For this, based on our capacity to develop key mobility technologies independently, we will continuously increase added value as well as the competitiveness of our product portfolio as a source of our strength. In addition, we will continue strengthening open innovation by working together with companies specializing in emerging technologies to accelerate global market entry.

**Second, we will secure future competitiveness by intensively fostering talents for future mobility with focus on software development.**

In the future mobility field such as autonomous driving, connectivity, and electrification, software competitiveness for system integration and functional optimization is important. Accordingly, Hyundai Mobis intends to leap forward as a mobility innovator by providing a software and hardware integrated platform and improving the performance and securing the quality of key future mobility technologies. To achieve this goal, it is essential to foster professional human resources capable of integrating software design, implementation, and verification process. As such, we are extensively increasing employment in the software-related job group and establishing employment strategies to secure high-quality human resources in various ways.

In addition, we will further systematize our talent fostering program to help the competent human resources that joined us grow into global experts and establish an organizational culture centering on self-directed human resources that develop competencies and execute operations based on a sense of ownership.

**Lastly, we will strive to become a reliable partner by promoting ESG management and transparent communication with stakeholders.**

We will forge strong relationships of trust with various stakeholders including shareholders, customers, employees, partners, and local communities and promptly establish the ESG management system. At the end of last year, we completed the “2045 Net-Zero Roadmap” and joined the “RE100” for the first time in Korea’s automotive parts industry. We plan to achieve complete transition to renewable energy for power demand in all our business sites across the world by 2040. Under the ESG management system based on the Corporate Sustainability Management Committee and the ESG Center, we will expedite the establishment of the ESG management system not only in our business sites but also across the supply chain and local communities. By doing so, we will enhance our status as a company trusted in the global market.

This Sustainability Report contains Hyundai Mobis’ goals and activities for maximizing stakeholder value. We will continue dedicating efforts to winning greater trust from our stakeholders by expanding communication with them. With your continued support and encouragement, we will advance into one of the leaders in the future mobility market.

Thank you.

Hyundai Mobis President & CEO  
Sung Hwan Cho

A handwritten signature in black ink, appearing to read 'Sung Hwan Cho', written in a cursive style.

Corporate Overview

# About Hyundai Mobis



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As a global automotive parts company, Hyundai Mobis leads the era of smart mobility by focusing all capacities on autonomous driving, connectivity, and electrification. With three key modules (chassis, cockpit, front-end) of the core automotive parts, we are creating a safe, convenient driver environment and operating our after-sales service business. We also established a batch/mass production system for the core fuel cell vehicle parts as the first among global competitors; thus securing leadership in the global competition for mass production.

Hyundai Mobis is making preparations to take a leap forward as a company providing differentiated mobility solutions to combine software and hardware in the future mobility market. Based on our R&D and production competencies, we will also expand our business to the areas of smart mobility, UAM, and robotics.

<b>Company Name</b>	Hyundai Mobis Co., Ltd.
<b>Date of Establishment</b>	June 25, 1977
<b>Headquarters</b>	203 Teheran-ro, Gangnam-gu, Seoul, Korea
<b>President &amp; CEO</b>	Sung Hwan Cho
<b>No. of Employees</b>	33,702
<b>Business Areas</b>	Automotive module and parts manufacturing, after-sales parts
<b>Key Financial Performances</b>	Sales KRW 41.7 trillion, Equity KRW 35.4 trillion, Liabilities KRW 16.1 trillion

## Vision



### Innovation for Humanity, Mobility for Tomorrow

To Hyundai Mobis, innovation goes beyond technological innovation to translating mobility experience into moments full of joy and happiness. Innovation to deliver cleaner natural environment and safer transportation conditions to the next generations—this is the value we pursue. We connect the present to the future with mobility technologies.

Hyundai Mobis, Mobility for Tomorrow

# Global Network

Hyundai Mobis is maximizing customer satisfaction and strengthening competitiveness by establishing a worldwide network.

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### Domestic

Headquarters : R&D Centers : Manufacturing

1 3 17

Distribution Centers : Parts Centers

4 22

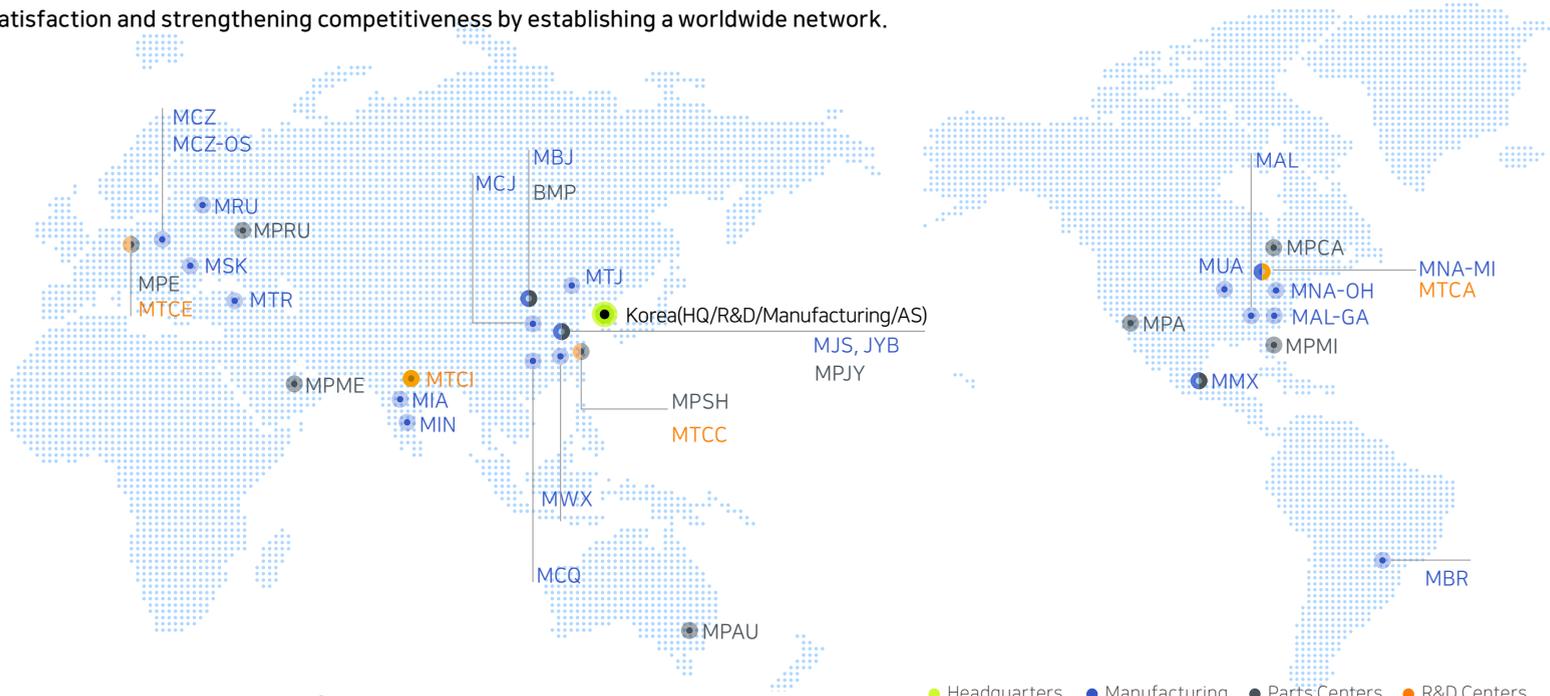
### Overseas

Manufacturing : Parts Center : R&D Centers : Quality Centers

21 10 7 5

Open Innovation Centers : Others

2 4



● Headquarters ● Manufacturing ● Parts Centers ● R&D Centers

### Domestic

#### Headquarters 1

Yeoksam-dong, Seoul

#### R&D Centers 3

Mabuk Technical Center, Uiwang Technical Center, Seosan Proving Ground

#### Manufacturing 17

Jincheon, Changwon, Gwangju, Gimcheon, Daegu (electrification), Seosan, Asan, Inju, Anyang, Ulsan, Ulsan (electrification), Ewha, Cheonan EBS, Cheonan IP, Chungju, Pyeongtaek, Poseung

#### Distribution Centers 4

Ulsan Distribution Centers 1, 2, 3  
Asan Distribution Centers  
Gyeongju Distribution Centers  
Naengcheon Distribution Centers

#### Parts Centers 22

Bukbu Parts Center, Seobu Parts Center, Gangwon Parts Center, Gangneung Parts Center, Chuncheon Parts Center, Dongbu Parts Center, Incheon Parts Center, Nambu Parts Center, Chungcheong Parts Center, Jeonbuk Parts Center, Jeonnam Parts Center, Seosan Parts Center, Suncheon Parts Center, Mokpo Parts Center, Jeju Parts Center, Gyeongbuk Parts Center, Gyeongnam Parts Center, Busan Parts Center, Pohang Parts Center, Gimcheon Parts Center, Andong Parts Center, Jinju Parts Center

### Overseas

#### Manufacturing 21

Manufacturing Centers  
MBJ - Beijing, China, MJS - Jiangsu, China, JYB - Jiangsu, China, MWX - Wuxi, China, MTJ - Tianjin, China, MCJ - Changzhou, China, MCQ - Chongqing, China, MAL - Alabama, US, MAL-GA - Georgia, US, MNA-OH - Ohio, US, MUA - Alabama, US, MNA-MI - Michigan, US, MCZ - Nosovice, Czech Republic, MCZ-OS - Mosnov, Czech Republic, MSK - Zilina, Slovakia, MRU - Saint Petersburg, Russia, MIA - Anantapur, India, MIN - Chennai, India, MBR - Sao Paulo, Brazil, MTR - Izmit, Turkey, MMX - Monterrey, Mexico

#### Parts Centers 10

BMP - Beijing, China, MPJY - Jiangsu, China, MP SH - Shanghai, China, MPA - California, US, MPMI - Florida, US, MPCA - Markham, Canada, MPE - Eschborn, Germany, MPRU - Moscow, Russia, MPME - Dubai, United Arab Emirates, MPAU - Sydney, Australia

#### R&D Centers 7

MTCA - Michigan, US, MTCI - Hyderabad, India, Hyderabad Center 2, MTCE - Eschborn, Germany, MTCC - Shanghai, Yantai, Shenzhen, China

#### Quality Centers 5

MQA - California, US, MQE - Eschborn, Germany, MQC - Shanghai, China, MQI - Delhi, India, MQME - Dubai, United Arab Emirates

#### Open Innovation Centers 2

MVSV - Silicon Valley, US, MVC - Shenzhen, China

#### Others 4

MSH - Shanghai, China, MNA-PL - Michigan, US, MTKO - Tokyo, Japan, MHNO - Hanoi, Vietnam

\* Changes according to the addition of new business sites and changes in the criteria for base division (according to address) reflected

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## Business Areas

**System Solutions**  
Module Manufacturing  
Services and Parts

### Autonomous Driving

With strengthened competency for the convergence of automotive parts with electronic control technology, Hyundai Mobis is developing autonomous driving solutions for accident-free automobiles of the future. While supplying the Active Driving Assistant System (ADAS) that assists in convenient and safe driving, we are developing a fully autonomous driving system that recognizes, positions, makes decisions on, and controls the vehicle.



### Electrification

In response to climate change, governments around the world are tightening regulations on automobile fuel efficiency and carbon dioxide emission limits.

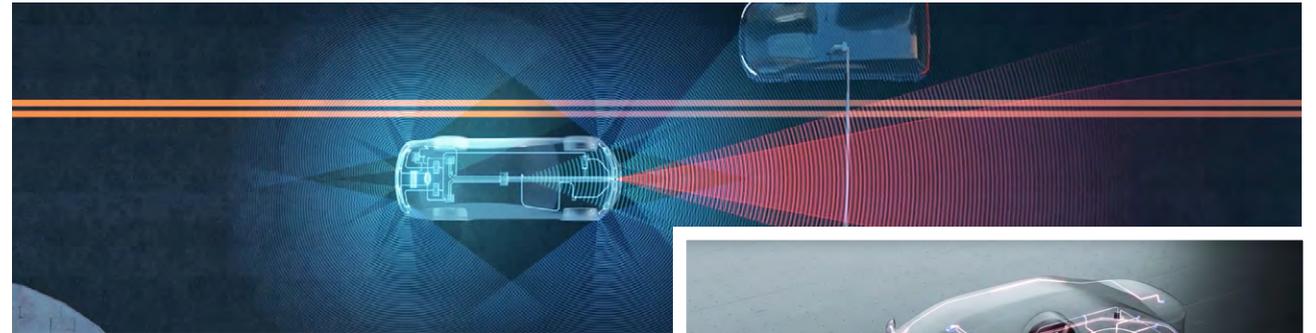
Accordingly, Hyundai Mobis is developing various electrification parts technologies, such as high-powered driving systems and high-capacity battery systems required for hybrid and electric vehicles as well as chargers and fuel cell systems for hydrogen fuel cell vehicles.

We are striving to create new environmental values by reducing carbon emissions and increasing energy efficiency through electrification



## System Solutions

Developing core automotive parts with improved safety, performance, and environmental functions. While producing traction motors and battery systems as the core parts of eco-friendly vehicles including electric and hydrogen fuel cell vehicles, we are strengthening competitiveness for autonomous driving and parking technologies by developing HDA<sup>1)</sup>, RSPA<sup>2)</sup>, PCA-F/S/R<sup>3)</sup>, etc. In addition, we have developed an integrated communication controller for automobiles for the first time in Korea. As such, Hyundai Mobis is committed to providing integrated automotive technological solutions of the future.

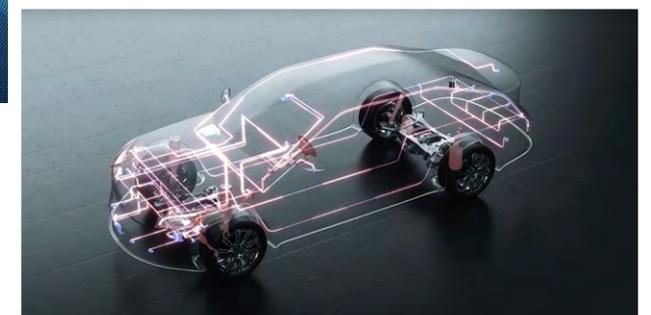


- 1) HDA: Highway Driving Assist
- 2) RSPA: Remote Smart Parking Assist
- 3) PCA-F/S/R: Parking Collision Avoidance - Front/Side/Reverse

### IVI (In-Vehicle Infotainment)

Hyundai Mobis IVI solutions aim for human communication and interaction. In this era of IoT/connectivity where everything is connected, the solutions collect information such as in and outside the car environment and driver's conditions and provide optimized information and services to individual drivers. We produce not only infotainment modules that are a key component to IVI solutions but also HUD<sup>1)</sup>, digital cluster, and premium sound system.

- 1) HUD: Head-up Display



Sales in 2021

KRW **14.07** trillion



## Steering

The steering system enables drivers to control the direction of an automobile as they intend.

Hyundai Mobis supplies OEMs with EPS<sup>1)</sup>, which provides optimal steering performance through high-precision control of the motor depending on the vehicle conditions without using the existing hydraulic system. We are also developing a next-generation steering system that ensures improved driving performance with enhanced reactivity and safety.

1) EPS: Electric Power Steering



## Lamp

The lamp system secures the driver's field of vision while providing information to other drivers and pedestrians. Hyundai Mobis focuses on developing lamps that meet all the safety, design, and performance criteria. In the age of autonomous driving, we are researching and developing Bi-Matrix ADB<sup>1)</sup> that reacts to surrounding objects and environments, as well as DMD<sup>2)</sup> lamp that enables communication with nearby drivers and pedestrians.

1) Bi-Matrix ADB (Adaptive Driving Beam): Headlamp with both high beam and low beam in a single projection module that provides the matrix ADB function  
2) DMD: Digital Micro-mirror Device



## Brake

The brake system lets a car decelerate, stop, and park according to the driver's intention. Hyundai Mobis conducts R&D on not only general CBS<sup>1)</sup> and ABS<sup>2)</sup> but also brake systems for autonomous driving and eco-friendly vehicles such as TCS<sup>3)</sup>, ESC<sup>4)</sup>, EMB<sup>5)</sup>, Brake by Wire<sup>6)</sup>, and regenerative braking.

1) CBS: Conventional Brake System  
2) ABS: Anti-lock Brake System  
3) TCS: Traction Control System  
4) ESC: Electronic Stability Control  
5) EMB: Electro-mechanical Brake  
6) Brake by Wire: Electric braking service



## Airbag

Hyundai Mobis develops airbag systems that ensure the safety of drivers, passengers, and pedestrians. We produce electronic parts that control the optimal airbag spread with data collected from sensors as well as frontal airbag (DAB<sup>1)</sup>/PAB<sup>2)</sup>/KAB<sup>3)</sup>, side airbag (CAB<sup>4)</sup>/SAB<sup>5)</sup>, and center airbag (CSAB<sup>6)</sup>) modules.

1) DAB: Driver Airbag, 2) PAB: Passenger Airbag, 3) KAB: Knee Airbag, 4) CAB: Curtain Airbag, 5) SAB: Side Airbag, 6) CSAB: Center Side Airbag



## Suspension

The suspension system absorbs vehicle impact for the comfort and safety of passengers. Hyundai Mobis supplies an air suspension system that absorbs even minute vibrations using high-pressure air. In particular, our independently developed e-ARS<sup>1)</sup>, which controls vehicle tilting by using an electronic motor, enables electrification of braking, steering, and suspension essential for autonomous driving solutions.

1) eARS: electrical Active Roll Stabilization



## Module Manufacturing

System Solutions  
Module Manufacturing  
Services and Parts

Hyundai Mobis produces and supplies the chassis module, cockpit module, and front-end module as the three key modules of an automobile. We are developing and producing modules according to automobile characteristics by cooperating with OEMs from the initial stage of R&D. We are strengthening global competitiveness based on the modulation effects to simplify the production process and improve assembly convenience, etc. through advanced technology application and system integration. Our competitiveness in the global market is also being enhanced as we expand local production through key production bases in China, US, India, and Europe.

## After-sales(A/S) Parts and Automotive Supplies

System Solutions  
Module Manufacturing  
Services and Parts

Hyundai Mobis supplies 2.58 million after-sales parts for approximately 194 vehicle models in Korea and abroad. To ensure optimal parts supply to around 59.07 million vehicles of Hyundai Motor Company and Kia Motors that are being operated in Korea, we have established the largest distribution network in the industry including large-scale infrastructure such as distribution centers and big data-based demand prediction system.

We promote customer satisfaction through swift and accurate supply of after-sales parts upon demand generation. We also provide a wide range of consumable parts and supplies to help customers maintain their vehicles in optimal condition.

## Front-end Module

As a product unit supplied to OEMs, this integrates the frontal engine room parts such as radiator, headlamp, bumper beam, carrier, and AAF (Active Air Flap). Hyundai Mobis conducts research on improved pedestrian protection and low-speed collision safety, improved aerodynamics, integration of electronic components, and weight improvement through new material application.



## Chassis Module

As another product unit supplied to automakers, this integrates the relevant parts forming the frame of the undercarriage. Hyundai Mobis researches core technologies for optimal module development to share platforms and parts with automakers.



## Automotive Supplies

Automotive supplies are developed to enhance vehicle functions, convenience, appearance, etc. These come in various types ranging from roof bar for the car ceiling to air purifier, interior light kit, and suit hanger.

Hyundai Mobis is striving to develop automotive supplies that meet the customizing needs of various consumers under the goal of improving the marketability of finished automobiles and strengthening drivers' convenience.



## After-sales Parts

After-sales parts are essential for vehicle repair. For these parts, the same specifications and quality as those of the parts used in new vehicle production are required. Entrusted with after-sales parts supply by Hyundai Motor Company and Kia Motors, Hyundai Mobis makes all-out effort for the swift supply of parts to customers based on stable inventory as well as logistics and distribution systems.



## Cockpit Module

This is a product unit supplied to automakers with integrated design and assembly of instrument panel, cowl crossbar, air conditioning system, and airbag by package and function. Hyundai Mobis strives for more in-depth technological development for the cockpit module to play a direct role in providing convenient features, driving information display, and control devices while ensuring the safety of passengers.



# Business Strategy



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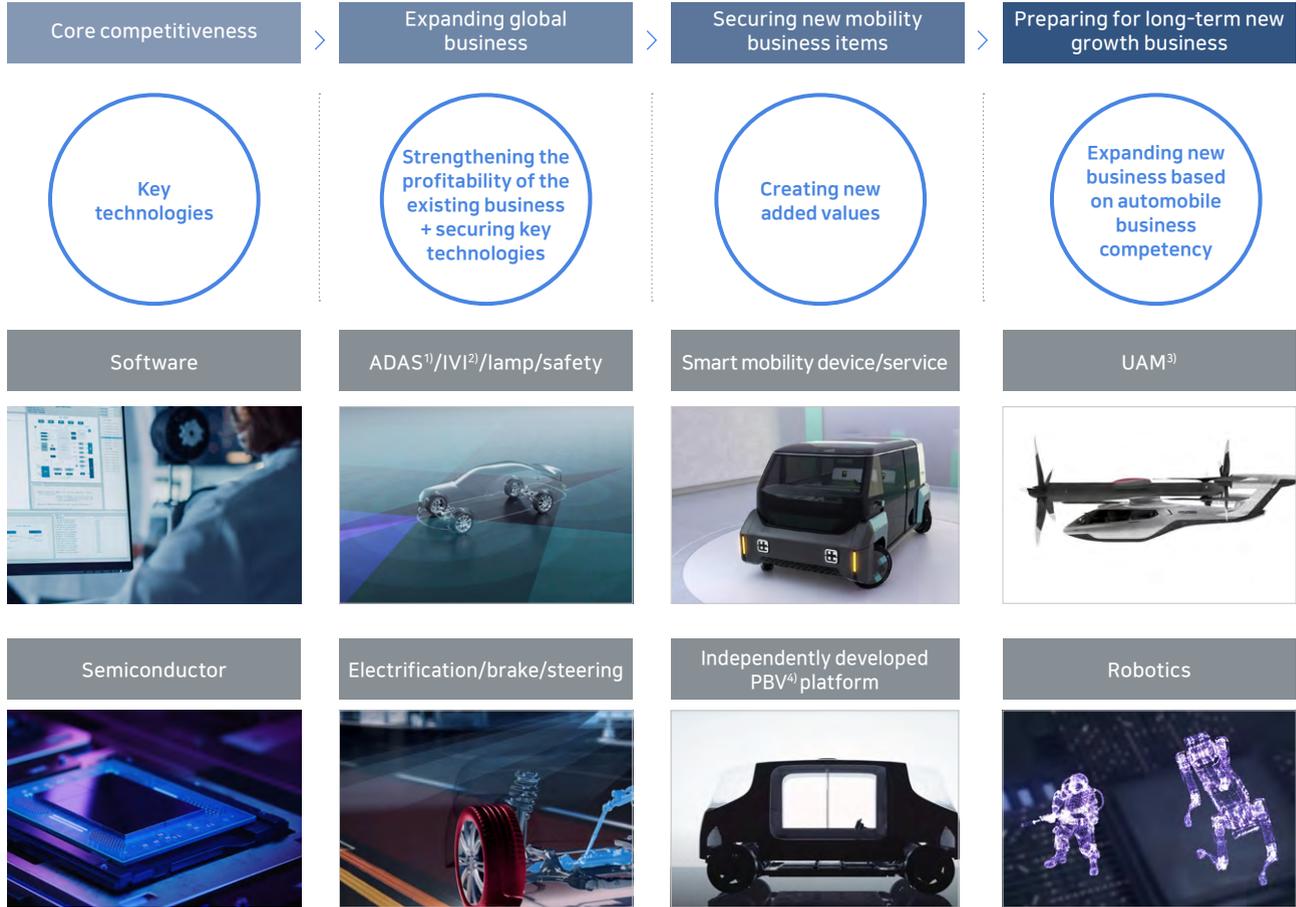
## Mid- to Long-term Strategy for Transformation

### Global Market Development as a Smart Mobility Solution Enabler

Hyundai Mobis is promoting core business competency building, company-wide business structure innovation, and constitutional transformation in order to secure global technological competitiveness for the future and long-term growth engine. While strengthening competency as a top-tier general automotive parts supplier, we intend to transform our business model into a smart mobility solution enabler by securing competencies in semiconductor and software, which are essential for the smart mobility business.

We will achieve sustainable growth by channeling our key technologies accumulated over the years toward the new mobility service and new growth business for the future.

### Mid- to Long-term Business Directivity



1) ADAS: Advanced Driver Assistance System

2) IVI: In-Vehicle Infotainment

3) UAM: Urban Air Mobility

4) PBV: Purpose Built Vehicle, an eco-friendly, multipurpose mobility vehicle that can be provided at low cost according to the customer's business purpose and need

## Business Innovation Strategy



### Expanding the global business based on the competitiveness of the existing business (Transformation X)

Hyundai Mobis will accelerate the transition to global OE business system by strengthening the foundation for global order (non-captive) business. For this, we plan to develop products that meet customer and market demands in advance and receive strategic and preemptive orders from target customers by key product. For the effective performance of such activities, we are currently in the process of establishing the KAE (Key Account Executive) system for each key customer group. At the same time, we are actively promoting external cooperation such as M&A, partnership formation, and JV from the perspective of market expansion.



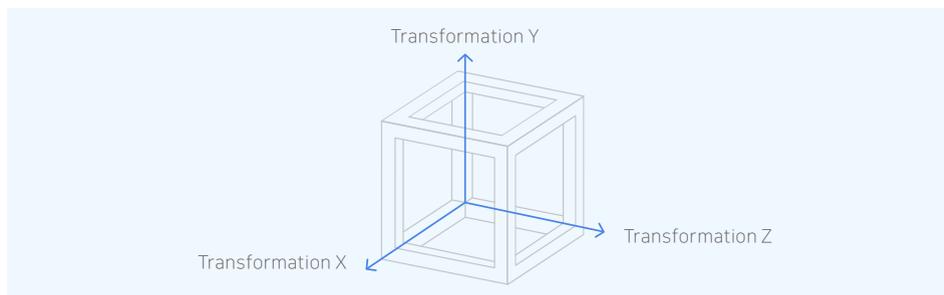
### Securing competitiveness for the future mobility business (Transformation Y)

Hyundai Mobis will develop a business model with which to meet diverse customer needs based on system/platform competency to combine software that serves as a core of future mobility and hardware. For this, we are concurrently building an intelligent manufacturing platform—which is a customized production system—based on smart factory technologies as internal modular architecture products/structures that can be flexibly applied to the parts of all vehicle classes and models.



### Discovering long-term new growth business items (Transformation Z)

Hyundai Mobis is developing new business items in the UAM and robotics fields under the business model based on innovative technologies, software, and services. For this, we are adopting the open innovation system to promote M&A and partnership formation with external technological companies in addition to applying our future mobility business competency for autonomous driving and electrification, etc. In the mid- to long-term, we will apply the UAM and robotics-derived technologies to the autonomous business. This way, we will create a virtuous cycle to improve our technologies' competitiveness further.



## Operating Innovation Strategy



### Developing products and technologies to lead the global market

Hyundai Mobis is continuously strengthening core competency in the areas of future mobility including autonomous driving, electrification, and connectivity. In the field of autonomous driving in particular, we are securing next-generation system solutions such as high-performance controller platform and autonomous driving sensor based on the Active Driving Assistant System (ADAS). In line with the expansion of electric vehicle distribution, we are also developing key technologies for power controller, battery management system (BMS), and driving system, etc. In addition, following the acquisition of Hyundai Autron's semiconductor business sector in 2021, we are promoting the internalization of future automotive semiconductor development, such as semiconductor systems and power semiconductor. For the improvement of our core competency in future mobility, we are promoting equity investment in and partnership building with a number of technological companies ranging from Stradvision (image recognition) to Velodyne (LiDAR sensor), Motional (autonomous driving solution), and Envisics (AR-HUD); thus securing new technologies and continuously expanding the global R&D network.



### Optimizing the global production system

Hyundai Mobis is securing price competitiveness and expanding orders by optimizing the current global production system. We focus all our capacities on establishing an internal production system for future mobility and securing core competencies centering on value-added business items including PBV. In the field of manufacturing with low added value, we will develop a future business engine based on efficient resource management and redistribution by making use of specialized companies.



### Realizing ESG management

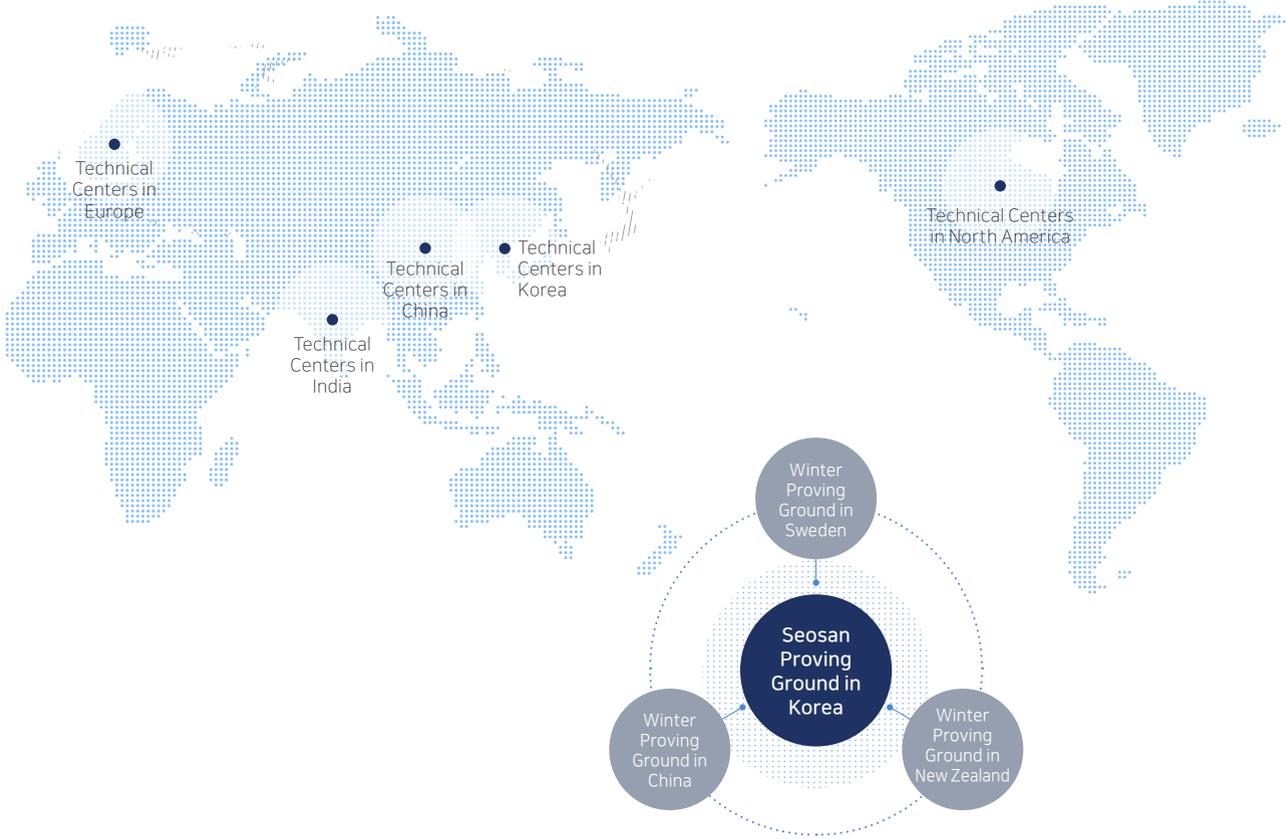
Hyundai Mobis is developing and mass-producing fuel cell systems in order to dominate the clean energy market. We are also actively promoting net-zero for the switch to sustainable eco-friendly business system. Based on human-centric development with stakeholders ranging from employees to local communities, we will grow into a company that leads the post-COVID-19 new normal era.

# Technological Innovation

## R&D Strategy and Investment

The Korean technical centers of Hyundai Mobis (Mabuk, Uiwang) are the global R&D bases. With the company-wide R&D strategies and road map established, we are conducting one-stop R&D covering preliminary development to mass production stages by using various hi-tech testing facilities. In addition, our technical centers in North America, Europe, China, and India are accelerating not only future technology development such as autonomous driving, electrification, and connectivity but also ICT technology convergence for the existing mechanical parts (brake, steering, suspension, safety, lamp) to secure competitiveness as global top-tier R&D centers.

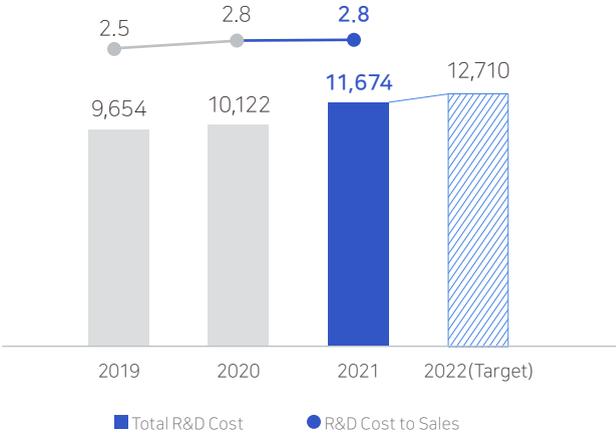
Hyundai Mobis also operates three winter proving grounds (Sweden, China, New Zealand) in addition to the Seosan proving ground in Korea. Using these facilities, we are verifying the new chassis, trim, autonomous driving, connectivity, and electrification technologies to lead the future mobility solution development.



# R&D Investment

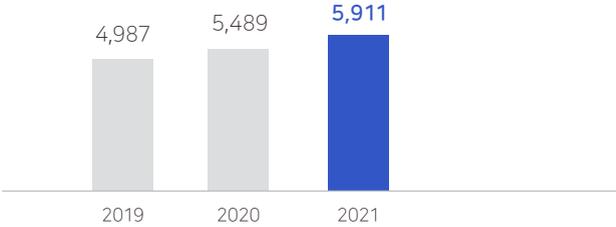
## R&D Cost

(Unit: %, KRW 100 million)



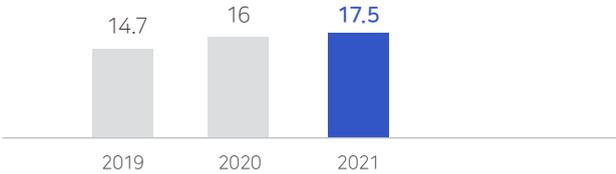
## R&D Personnel

(Unit: Persons)



## R&D Personnel to Total Employees

(Unit: %)



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## Fostering Ingenious R&D Culture

Hyundai Mobis is creating an ingenious R&D culture while developing new technologies and products by operating M.FIELDS and hosting the M.FIELDS Festa.

M.FIELDS is an idea portal where Hyundai Mobis' domestic and international employees upload R&D projects and promote them when they are selected for implementation through recommendation from coworkers. Various ideas are being developed by technical centers not only in Korea but also across the world in North America, Europe, India, and China. Over 800 ideas were drawn in 2021; among them, "lamp failure diagnosis using rear-view camera" and "parabolic motion glove box<sup>1)</sup>" were selected as the best ideas. Profits generated through patented inventions based on the projects are shared with the respective inventors. As such, Hyundai Mobis operates a number of systems to expand the ingenious and autonomous R&D culture.

1) Parabolic Motion Glove Box: This is a glove box that opens wide in a parabolic shape. Developed by combining the strengths of the conventional cover and drawer-type glove boxes, the parabolic motion glove box facilitates item identification, storage, and withdrawal and minimizes collision of the glove box against the passenger's knees.

## Securing Intellectual Property Right

Hyundai Mobis is dedicating effort to securing patented technologies in order to improve competitiveness in the future mobility industry. In addition to encouraging the invention activities of internal employees, we are expanding the patent portfolio by purchasing external technologies of universities and other companies. In particular, we are continuously expanding standard patents for key future mobility fields such as autonomous driving, electrification, and connectivity.

For this, we have organized a dedicated team, and we support patent application through related experts including patent attorneys. We also give various awards by holding the Employee Invention Awards annually in order to encourage research activities. As a result, the number of intellectual property patent applications is increasing each year: 2,088 (2020) → 2,843 (2021) → 3,300 (expected in 2022).

At the same time, Hyundai Mobis is supporting patent application optimized in each global region centering on overseas R&D center centers by using local patent agents. The percentage of overseas patent applications is expanding at 35% (2020) → 41% (2021) → 45% (2022, target). We also focus on preventing potential global patent conflicts.

Our goal for 2022 is to apply for 3,300 intellectual property patents in Korea and abroad. Among them, approximately 1,500 will be overseas applications.



\* Employee Invention Awards 2021

### Key Patents Obtained in 2021

#### Mobility

##### · e-Corner Module Equipment Layout and Structure

This is a technology for integrating driving, brake, steering, and suspension systems in each wheel of a vehicle. It enables the free design of a vehicle space.

##### · UAM Noise Reduction Technol

This is a technology for reducing the noise generated at the take-off and landing of urban air mobility (UAM) by applying artificial intelligence and ANC (Active Noise Control) technologies to mobility transfer station (HUB) design.

#### Autonomous Driving

##### · Technology to Improve the Response Performance of Autonomous Driving Redundancy Brake System

In case the brake does not operate successfully due to external impact or failure, an auxiliary emergency braking system operates automatically.

##### · External Alert System to Prevent Frontal Collision of Pedestrians

Alerts are issued for pedestrians through automatic analysis of pedestrian movements in order to prevent collision when there is risk of an accident.

##### · Technology to Alleviate the Mutual Interference of Automotive Radar

This technology is aimed at preventing the occurrence of technical errors by preventing radar interference between vehicles.

#### Electrification

##### · Carrier Structure of Planetary Gear Decelerator of In-wheel Motor

The structural performance (deceleration speed control by wheel) of the decelerator of in-wheel motor (electric motor directly mounted on the wheel) is improved.

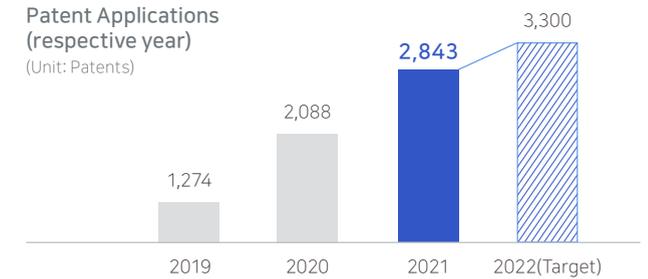
#### Fuel Cell

##### · Fuel Cell Integrated Unit Cell and Connection Structure

The safety and energy efficiency of hydrogen fuel cell are improved for modular structure design optimization.

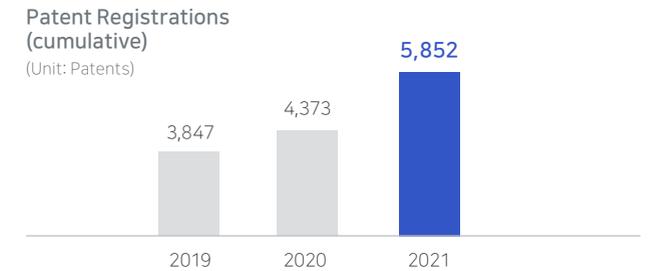
### Patent Applications (respective year)

(Unit: Patents)



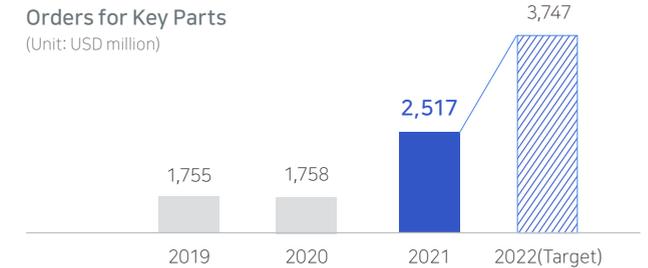
### Patent Registrations (cumulative)

(Unit: Patents)



### Orders for Key Parts

(Unit: USD million)



### Awards

#### 2019

· IR52 Jang Young-shil Award - iMEB (Korea Industrial Technology Association)

#### 2021

· Korea Green Mobility Awards, Innovation Award (The Asia Business Daily)

#### 2020

· Intellectual Property Management Enterprise of the Year, Minister of Trade, Industry, and Energy Award (Korea Intellectual Property Association)

#### 2022

· IR52 Jang Young-shil Award - High-voltage battery system (Korea Industrial Technology Association)  
· Korea Green Mobility Awards, Technology Award (The Asia Business Daily)

## R&D Performance

### Premium Sound System



The premium sound system was first applied to Kia Motors' K8. This technology was developed over a period of two years by Hyundai Mobis and Meridian. Hyundai Mobis played a pivotal role in designing the speaker and amplifier, which are a symbol of the premium audio system. For the premium sound system of K8, a NATEC speaker created by mixing natural pulp and nano metal was applied for the first time in the world. In addition, with titanium material applied to the tweeter, which handles high-pitched sound, it produces clear and distinct sound.



### Clusterless HUD



"Clusterless HUD" is the world's first technology developed by Hyundai Mobis through the integration of cluster and HUD (Head Up Display) functions. It is a next-generation driver seat technology to minimize the driver's distraction by dispersing driving information previously displayed on the cluster to the HUD in front of the driver and AVNT (Audio, Video, Navigation, and Telecommunication) system.

The clusterless HUD displays essential driving information, such as speed and RPM, at the driver's eye level and greatly improves safety and convenience by providing the driving assist functions of HUD including navigation.



### M.Brain, a Brain Wave-based Accident Reduction Technology



Hyundai Mobis successfully developed M.Brain, a new health-care technology to check the driver's physical condition by measuring brainwave. This is the first case of applying to automobiles brainwave measuring technology that is known to be of the highest difficulty level among biometric technologies. Hyundai Mobis made this accomplishment after approximately three years of R&D.

M.Brain is a monitoring system that measures the driver's physical condition in real time by detecting brainwave around the ears using an ear set-type sensor. The core of M.Brain is a software technology for determining the driver's condition by analyzing information obtained from brainwave. We dedicated effort to R&D such as introducing machine learning technology to analyze the meanings of brainwave signals.

Linked to a smartphone app, M.Brain notifies when the driver's attention drops. It was also designed to provide an accident reduction function to issue warnings to the sensory organs, such as vision (LED around the driver's seat), touch (vibrating seat), and hearing (headrest speaker). Expected to contribute to preventing large-scale accidents caused by drowsy driving or sudden health deterioration of drivers of commercial vehicles such as buses, M.Brain is currently being applied to public buses in Korea through a pilot project.



### e-Corner Module



Hyundai Mobis successfully developed e-Corner Module, a new technology for applying automotive steering, brake, suspension, and driving system to a wheel. As an essential technology for PBV (Purpose Built Vehicle), e-Corner Module enables not only vehicle parking through 90-degree turning but also spinning in place. This new technology promotes a paradigm shift from the existing vehicles where a mechanical axis connects from the steering wheel to the wheels. Eliminating the need for mechanical connection between parts, this technology enables free design of a vehicle space. In addition to facilitating wheelbase change, it increases the freedom of door direction and vehicle size design.



### Foldable Steering System



Following the development of Foldable Steering System, Hyundai Mobis is applying for patents on this technology in Korea and abroad. This system, for which there has yet to be a case of mass production across the world, features a steering wheel that can be folded for storage inside the dashboard as needed. The steering wheel can also be moved up to 25 cm back and forth. With the steering wheel folded in autonomous driving mode, a wide space can be secured for the driver's seat. In addition, the driver's seat can be rotated 180 degrees so that the driver can face passengers in the rear seats; thus creating a meeting room-like environment. In addition to securing system durability and reliability through the application of various technologies, we linked the previously developed electronic steering system (SBW: Shift By Wire) to the Foldable Steering System. Accordingly, steering wheel responsiveness is automatically adjusted according to driving status, such as in a parking lot or on an expressway, to ensure stability. On a circuit or a winding road, too, it ensures steering quality to maximize the driving emotion.



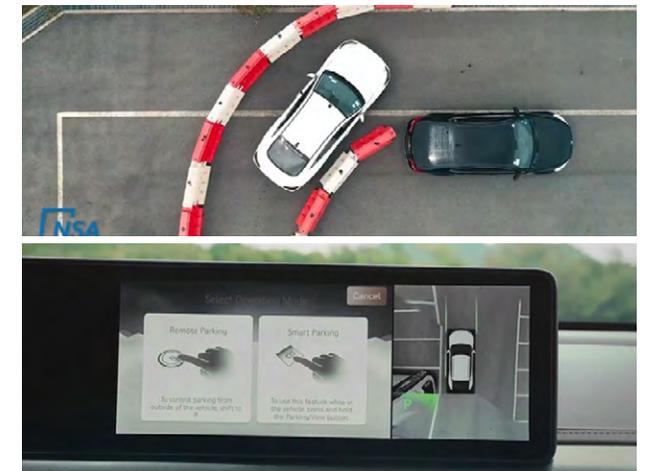
### Urban Driver Convenience System



Hyundai Mobis developed MPS (Mobis Parking System), the world's first next-generation parking control system. This advanced driver assistance system (ADAS) for urban driving integrates narrow road driving, autonomous reverse driving, and automatic remote parking functions.

MPS enables a vehicle to avoid obstacles by itself on a narrow alleyway when the driver presses the system button. It also allows a vehicle to pass through the revolving entrance to an underground parking lot and drive backward through autonomous driving upon encountering another vehicle on a one-way road. The idea for this technology, which is based on the software logic independently developed by Hyundai Mobis and an ultrasonic sensor in mass production, was derived from the fact that ultrasonic sensors are more suitable on narrow roads or underground parking lots even as radar or LiDAR sensors are useful in recognizing objects from a distance or during high-speed driving.

Resolving the difficulties of driving on a narrow road by simply pressing a button, MPS is expected to be useful particularly in Korea and Europe where there are many side roads and sufficient parking spaces are not available.



## Open Innovation

### Operating Mobis Ventures, an Overseas Open Innovation Center

Hyundai Mobis actively promotes open innovation through overseas bases in order to improve competency for response to the future.

As Hyundai Mobis' first innovation center opened in Silicon Valley, US in November 2018, Mobis Ventures Silicon Valley plays the role of a hub for deal source to identify and preemptively secure innovative technologies. Mobis Ventures China, the second innovation center opened in Shenzhen, China in June 2019, handles the scouting and deal sourcing for technologies specialized to the Chinese market.

The fields mainly targeted by Mobis Ventures are autonomous driving, connectivity, mobility, robotics, UAM, electrification, and AI. As the global top-tier open innovation center, Mobis Ventures provides customized investment ranging from Series A to pre-IPO in order to achieve shared growth with startups based on its knowledge and global competency in the automotive fields.

#### Portfolio

 (US) Startup developing automotive LiDAR	 (US) Startup developing thermal image sensor	 (Korea) Startup developing image recognition software	 (China) Startup developing face and behavior pattern recognition software
 (UK) Startup developing AR HUD	 (US) Startup developing high-performance imaging radar for automobiles	 (US) Startup developing cloud-based automotive software	

### Promoting Strategic Partnerships with Software Technology Specialists

Hyundai Mobis is continuously promoting strategic partnerships with specialized technological companies. In July 2021, we entered into a strategic partnership with Sonatus, a startup developing cloud-based automotive software. Based on such partnership, we are developing fundamental automotive electrical and electronic (E/E) architecture technologies for application to automobiles. As software update became possible, we could improve vehicle performance, add new functions, and correct malfunctions. We could also develop digital dynamics enabling vehicle data collection.

Applied first to GV60, the digital dynamics enables the implementation of cloud-based network infrastructure with high security level, real-time data collection, analysis, and management, wireless software update functions, etc. in a modular structure for convenient application to various vehicle models. Through collaboration with Sonatus, Hyundai Mobis will accelerate technological development in order to help consumers experience improved autonomous driving and IVI functions.

### Operating "Startup Challenge," an Internal Startup Fostering Program

Hyundai Mobis encourages employees to take on the challenge of establishing businesses by operating the "Startup Challenge" program, which was developed with the goal of encouraging employees to take on the initiative in business development; thus spreading entrepreneurship as well as a progressive and creative corporate culture throughout the company. We expect this program to help us indirectly penetrate business areas that are difficult for us to enter flexibly and learn about and build business experiences in the new markets. For the second Startup Challenge program held in 2021, 51 employees of 19 teams registered for participation. Through a two-stage assessment, "CoMo," which suggested a personal mobility lamp, "MoveOn," which proposed an electric wagon for toddlers, and "With-Force," which proposed a lightweight, wearable robot made of shape memory alloy, were selected for support. The selected teams are provided with financial support for the cost of business development, independent office space, and fostering program with professional accelerators. Hyundai Mobis will continue providing all-out support to promote the development of internal startups into independent businesses.

# Value Creation

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## Value Creation

Hyundai Mobis creates values for various stakeholders by considering sustainability for not only R&D, purchase, production, and distribution but also product use and disposal.

INPUT	
<b>Financial</b>	
Total capital	KRW 35,357,474 million
<b>Manufactured</b>	
Domestic tangible assets	KRW 3,343.5 billion
New facility/extension investment cost (CAPEX)	KRW 955.5 billion
<b>Intellectual</b>	
R&D personnel	5,911 persons
R&D cost	KRW 1,167.4 billion
<b>Human</b>	
Number of employees	33,702 persons
Compensation for domestic employees (wage + welfare benefits)	KRW 1,284,213 million
<b>Social and Relationship</b>	
Volunteer service hours	8,764 hours
Number of companies under the fair trade agreement	333 companies
<b>Natural</b>	
Renewable energy investment cost (photovoltaic)	KRW 7.37 billion



R&D	Purchase	Production	Distribution	Product Use and Disposal
Develop innovative and sustainable products in order to respond preemptively to the paradigm shift in the automotive industry	Establish a cooperative system for supply chain to ensure ethical and eco-friendly material purchase	Strive to minimize environmental impact throughout the production process and create safe business sites	Meet customers' needs for products in a timely manner and promote the maximization of customer satisfaction	Strive to secure product quality and safety and promote a circular economy throughout the process

OUTPUT	
<b>Financial</b>	
Sales	KRW 41,702,184 million
Operating profit	KRW 2,040,112 million
<b>Manufactured</b>	
Domestic sales	KRW 21,554 billion
Electrification parts sales	KRW 6,093.1 billion
<b>Intellectual</b>	
New patent applications	2,843
M.FIELD ideas	Approx. 800
<b>Human</b>	
Human capital ROI	2.59
Employee satisfaction	73%
<b>Social and Relationship</b>	
Social contribution effect (donation through volunteer service in Korea)	KRW 489 million
Amount of purchase from partners	KRW 5,598.1 billion
<b>Natural</b>	
Renewable energy use	394 TJ(41GWh)

# VISIONING SUSTAINABILITY

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Visioning Sustainability

# Sustainable Management

## Message from the Corporate Sustainability Management Committee Chairperson



Dear Stakeholders,

Although the global health crisis caused by COVID-19 seems to be easing gradually as a result of efforts by all, the level of concern for and interest in global risk is paradoxically rising. In particular, the heightened geopolitical tension resulting from various factors including the war in Ukraine is accelerating trade and technology-related disruptions. Major countries around the world are prioritizing themselves, with the global supply chain - which has been developing with focus on globalization and efficiency - being rapidly restructured to center on stability and protective trade policy. In addition, as inflation led by food and energy is being aggravated, there is a voice expressing concern about the recent crisis developing into stagflation. Meanwhile, with the innovation of digital technologies such as AI, IoT, and big data in the Fourth Industrial Revolution era that is rapidly changing human life based on hyper-connectivity, super-intelligence, and hyper-convergence, companies face an endless demand to create new experiences for consumers and enable free mobility. The post-COVID-19 era might be yet another New Normal era for us.

What is required in the post-COVID-19 era is for us to pursue sustainable development linked to fundamental social and environmental values beyond the simple pursuit of economic value in corporate management. This is because, as illustrated by the global transition to low-carbon economy for climate change response, technologies are evolving with focus on sustainability and consideration for humanity, environment, and future generations by going beyond the pursuit of efficiency and convenience. It is important for a company to practice ESG management substantially by establishing a detailed roadmap under the vision of promoting fundamental economic, social, and environmental values.

Under the sustainability vision of "Innovation with Responsibility, Mobility by Clean Technology," Hyundai Mobis is continuously promoting innovation. In particular, we unsparingly invest in searching for new opportunities while bolstering our strengths to achieve socially and environmentally responsible growth. From participating in global climate change response based on the "2045 Net-Zero Roadmap" to switching to renewable energy, securing eco-friendliness in the entire production process, expanding responsibilities for global supply chain management, expanding communication with stakeholders, and establishing human-centric business sites, Hyundai Mobis' ESG management is being performed in various ways. These tasks and roadmap are being implemented systematically based on successful communication through consultative bodies centering on the ESG Promotion Secretariat. As the highest supervising organization, the Corporate Sustainability Management Committee also fulfills its responsibilities for achieving Hyundai Mobis' sustainability vision and forming correct values.

Hyundai Mobis will make every effort into winning the endless trust of all stakeholders.

Please keep an eye on us as we try earnestly to abide by our promise to create a better world.

Thank you.

Corporate Sustainability Management Committee Chairperson

Dae Soo Kim



 In the post-COVID-19 era, the ESG management trend is being accelerated further.

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# Sustainable Management

Sustainability Vision

## Innovation with Responsibility, Mobility by Clean Technology

Under the vision of "Innovation with Responsibility, Mobility by Clean Technology," Hyundai Mobis is striving to achieve balanced, sustainable growth by implementing three strategic pillars.

Three Strategic Pillars



### Green Acceleration

Promote switch to eco-friendliness for the future generation and planet



### Inclusive Business

Promote joint development with employees and society



### Responsible Growth

Practice responsible and sustainable management



- Achieve net-zero
- Realize a circular economy
- Expand eco-friendly products



- Establish human-centric business sites
- Promote responsible supply chain management
- Strengthen contribution to local communities



- Upgrade ESG governance
- Secure the reliability of information disclosure
- Activate stakeholder engagement

# Sustainable Management



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## ESG Management System

### ESG Governance

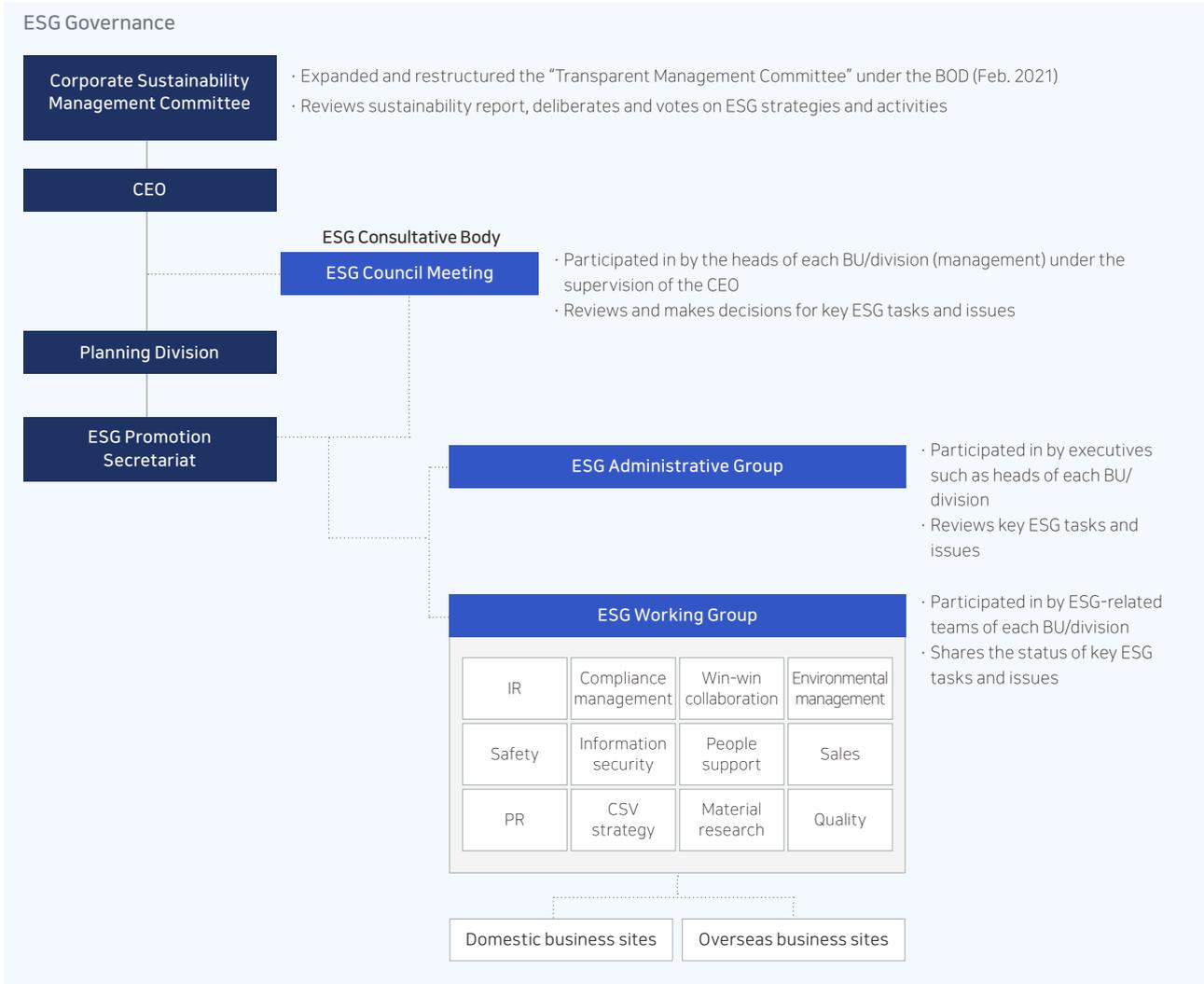
With the goal of securing top commitment to sustainable management, ensuring successful risk management, and expanding business opportunities, Hyundai Mobis expanded and restructured the Transparent Management Committee to the Corporate Sustainability Management Committee under the BOD as the highest supervising organization. In addition, the ESG Promotion Secretariat was established in April 2021. Through the ESG Promotion Secretariat, we are establishing company-wide ESG promotion strategies, suggesting guidance based on internal and external stakeholders' requirements, and managing the ESG task promotion status. In December 2021 in particular, the 2045 Net-Zero strategies were established, and the reduction roadmap was reported to the BOD.

For the more systematic implementation of ESG tasks and discussion of related issues, we will hold regular ESG meetings of the management and of the executives and working-levels from 2022 to ensure successful consultation and timely decision making for business operations.

### ESG Consultative Body

Consisting of the ESG Council Meeting, ESG Administrative Group, and ESG Working Group, Hyundai Mobis' company-wide ESG conference body holds meetings under the supervision of the ESG Promotion Secretariat. The ESG Promotion Inspection Meeting participated in by the heads of each BU/division is personally chaired by the CEO. In this meeting, key ESG tasks and issues are reviewed and decisions are made in relation to policy establishment and revision as well as process development for preemptive response to changes in the internal and external management environments.

Hyundai Mobis will continue efforts to internalize and update the sustainable management system based on organic cooperation among related teams and active participation by the executives.



# Stakeholder Communication

## Stakeholder Engagement and Communication

Hyundai Mobis defines all subjects that directly and indirectly wield and receive impacts on and from management activities as stakeholders. For successful communication with stakeholders, we operate various channels to listen to the opinions of stakeholders and understand their needs. By reflecting the collected information to our management activities, we establish strong relationships of trust with stakeholders. Specifically, we are increasing the reliability of corporate activities by transparently disclosing our management strategies, activities, and performances on the website, through SNS, and in various data.

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Classification	Areas of Interest	Communication Channels	Activities
<b>Employees</b> 	<ul style="list-style-type: none"> <li>- Guarantee of basic rights in the workplace</li> <li>- Differentiated welfare system</li> <li>- Safe and pleasant working environment</li> <li>- Opportunities for growth and self-development</li> <li>- Equal opportunities and fair performance assessment</li> </ul>	<ul style="list-style-type: none"> <li>- Organizational culture/satisfaction survey</li> <li>- Change agent (CA)</li> <li>- Internal portal</li> <li>- Labor-Management Council</li> <li>- Compliance channels such as Hello, HR,Cyber Auditing, and Help Line</li> </ul>	<ul style="list-style-type: none"> <li>- Operate healthcare and other welfare programs</li> <li>- Prepare opportunities for communication between the management and employees, such as town hall meeting</li> <li>- Plan and operate CA activities by division</li> <li>- Provide training/Operate training programs for competency building</li> <li>- Provide opportunities for job transfer through career market</li> <li>- Conduct fair performance assessment through multidimensional evaluation</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>- Support for fair trade and collaboration for shared growth</li> <li>- Competitiveness building</li> </ul>	<ul style="list-style-type: none"> <li>- Regular general meeting (Partners' Day)</li> <li>- Talk with the CEOs of tier 2 suppliers</li> <li>- Online counseling center</li> </ul>	<ul style="list-style-type: none"> <li>- Introduce and comply with fair trade regulations</li> <li>- Create an environment for sustainable business by establishing and operating a code of conduct for partners</li> <li>- Share policies, performances, and plans through various communication channels</li> <li>- Operate various online/offline programs for shared growth</li> </ul>
<b>Customers (distributors, consumers)</b> 	<ul style="list-style-type: none"> <li>- Guarantee of product/service quality and safety</li> <li>- Reliable brand image and reputation management</li> <li>- Smooth and swift communication</li> </ul>	<ul style="list-style-type: none"> <li>- Seminar and CS training to distributors</li> <li>- Executive Seminar of Hyundai Mobis' National Association of Distributors</li> <li>- Website for after-sales parts and supplies</li> <li>- Customer service system (MINDS)</li> <li>- Cyber auditing</li> </ul>	<ul style="list-style-type: none"> <li>- Strengthen quality and safety competitiveness</li> <li>- Secure operating safety</li> <li>- Provide training to departments at customer contact points</li> <li>- Share policies, performances, and plans through various communication channels</li> <li>- Operate various online/offline support programs</li> </ul>
<b>Domestic and Overseas OEMs</b> 	<ul style="list-style-type: none"> <li>- Competitive technologies</li> <li>- Corporate responsibilities for environment and society</li> </ul>	<ul style="list-style-type: none"> <li>- ESG assessment and assessment</li> <li>- Presentation to and conference call with global OEMs</li> </ul>	<ul style="list-style-type: none"> <li>- Bolster R&amp;D</li> <li>- Monitor competitors and market trend</li> <li>- Promote ESG improvement tasks</li> </ul>
<b>Shareholders/Investors</b> 	<ul style="list-style-type: none"> <li>- Promotion of new business to secure future growth engine</li> <li>- Integrated management of financial and non-financial risks</li> <li>- Dividend payout ratio</li> <li>- Sound corporate governance</li> <li>- Transparent information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>- General shareholders' meeting</li> <li>- Company disclosure</li> <li>- Corporate presentation (NDR (Non-Deal Roadshow))</li> <li>- Conference call</li> <li>- Notices on the website</li> </ul>	<ul style="list-style-type: none"> <li>- Create profit through new market entry, product development, M&amp;A, etc.</li> <li>- Manage risks by establishing the ESG governance</li> <li>- Promote ESG improvement tasks</li> <li>- Communicate and share performances with shareholders through IR meeting</li> <li>- Disclose the non-financial risk management status by publishing a sustainability report</li> </ul>
<b>Associations, NGOs, Local Communities</b> 	<ul style="list-style-type: none"> <li>- Securing of future technologies</li> <li>- Partnership opportunities</li> <li>- Investment in and development of local communities</li> </ul>	<ul style="list-style-type: none"> <li>- Programs for the Six MOVEs</li> <li>- CSV managers by business site</li> </ul>	<ul style="list-style-type: none"> <li>- Join and participate in the activities of associations</li> <li>- Implement collaborative tasks, build partnerships</li> <li>- Contribute to job creation in base regions</li> <li>- Operate the One Company - One Village program</li> <li>- Promote donation and volunteer activities by employees</li> </ul>
<b>Government</b> 	<ul style="list-style-type: none"> <li>- Prevention of unfair trade, compliance with regulations</li> <li>- Social and economic value creation</li> <li>- Transparent tax payment and corporate information disclosure</li> <li>- Securing of future technologies</li> <li>- Technical talent fostering</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate disclosure</li> <li>- Website</li> <li>- Media press release</li> <li>- Government cooperation programs</li> </ul>	<ul style="list-style-type: none"> <li>- Operate the internal control system and audit body</li> <li>- Ensure faithful tax payment</li> <li>- Develop future mobility technologies</li> </ul>

Visioning Sustainability

# Stakeholder Communication



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## Stakeholder Interviews

Hyundai Mobis is striving to build relationships of trust with stakeholders through continuous communication using various channels.

As part of the opinion collection process, we interviewed key stakeholders about our ESG activities. Their opinions will be reflected to our management activities in the future following sufficient review.

### Hyun Bok Lee , Head of the ESG Promotion Secretariat, Hyundai Mobis (Employee)



**We are committed to  
developing Hyundai Mobis  
as a company that grows  
and develops with  
stakeholders.**



The automotive industry ecosystem is undergoing continuous innovations in the era of transition to electrification and autonomous driving. Companies are required to improve the overall constitution of their value chains in line with the trend of environmental changes at home and abroad.

Under the circumstances, we at Hyundai Mobis are changing our business model in the direction of enhancing social and environmental values. We have established ESG goals for sustainable corporate management, dedicating utmost effort to making meaningful changes. This involves activities of listening to and reflecting the needs of various stakeholders ranging from employees to suppliers, customers, investors, and local communities.

In 2021, we solidified the foundation of our ESG management system and established implementation plans. In 2022, we will continue devoting ourselves to fulfilling the goals. Your support and participation will be greatly appreciated.

### Associate Senior Manager Hwa Jong Park, TS MOST (Tier-1 Supplier)



Hyundai Mobis' Collaboration for Win-win Collaboration Team visits us on a regular basis and provides us with great assistance by explaining about various areas from ethical management to factory management. They attentively listen to our difficulties, make effort to communicate with us, and also provide swift feedback. Compared to other companies, Hyundai Mobis' collaboration for shared growth programs are practical and detailed. Thus, we participate in the programs on support for experimental investment cost, production-related technical guidance, and support for overseas market development.

Our only concern is that our lack of resources hinders us from effectively participating in Hyundai Mobis' various programs. I hope Hyundai Mobis will continue making supplementations in ESG-related fields.

### Senior Manager Ha Yun Seong, Hyunwoo Precision (Tier-2 Supplier)



Its genuine approach to collaboration for shared growth is what differentiates Hyundai Mobis from other companies. They contact us regularly and try to provide as much support as possible according to our situation. For example, when we figured in a conflict with a primary partner of Hyundai Mobis due to the price surge of raw materials, they played a role in terms of fair trade. They also provide us with direct and indirect support for our switch to a smart factory system, which is substantial help in our company management.

Looking at the effort of Hyundai Mobis to ensure successful supply chain management and collaboration for shared growth as well with tier-2 suppliers like us, we could understand their commitment to ESG management. We recently participated in Hyundai Mobis' campaign to donate transparent umbrellas (social contribution activity). As a member of the society, we found it to be a very meaningful activity. I hope Hyundai Mobis will continue performing these activities in the future.

## CEO Wun Seok Lee, Sama Trade (Chairperson of the Hyundai Mobis' National Association of Distributors) (Customer)



Hyundai Mobis has been continuously conducting communication activities with distributors, helping us fully understand the significance of their ESG activities with stakeholders. As such, I am following Hyundai Mobis' activities through the website and the annually published sustainability reports.

Hyundai Mobis' activities for collaboration for shared growth, such as support for competency building of distributors including training through Management Academy, as well as programs for funding support, operating environment improvement, and CS competency building are very helpful to distributors. Our competency has considerably improved with the training we received. Likewise, over 90% of distributors have achieved environmental improvement thanks to support from the Win-win Fund. During the period of the COVID-19 pandemic, they listened to our difficulties through a policy talk and provided additional support from the Win-win Fund. These provided practical help in overcoming the crisis in our business operations.

The switch to eco-friendly vehicles seems to be a social and political trend. I hope Hyundai Mobis also thinks about how this directivity will affect distributors in the future and actively publicizes their eco-friendly activities to improve their brand image further.

## Professor Book Kee Hwang, Discovery Center for Science and Technology for Young Scientists, Hanyang Univ. (Association, NGO, Local Community)



I evaluate Hyundai Mobis' social contribution (CSV) activities highly based on the six MOVES because these activities are in line with the characteristics of the company's business and philosophy. The junior engineering class (Next Move) is a program wherein Hyundai Mobis' employees develop automotive experiment kits and teaching materials used to teach elementary students about how the scientific principles they learn in schools are related to new technologies, such as autonomous driving and hydrogen fuel cell vehicle and, following training on the content, participate as instructors themselves. The employees visit schools across the country using a mobile scientific lab vehicle. In the case of small schools, all students participate in experiments to learn scientific principles in interesting ways. Recently, the content of the program has been expanded to include experimental demonstrations in the form of a musical. As it advances into the world, Hyundai Mobis also provides training on the content of the junior engineering class in English so that local researchers of overseas R&D centers in Germany, Czech Republic, US, etc. can participate in the program to provide training to students in their respective countries.

As a B2B company, Hyundai Mobis is not widely known to the public and general students. Social contribution activities like this will certainly help Hyundai Mobis improve its brand recognition.

Despite the COVID-19 pandemic situation, we were able to operate the program in a contactless way thanks to Hyundai Mobis' active support. I hope Hyundai Mobis' Junior Engineering Class will continue contributing to improving the company's image and fulfillment of responsibilities for local communities, including improvement of employees' pride and love for the company.

## Director Young Jin Lee, S&P Global (Shareholder, Investor)



Hyundai Mobis is ranked higher among parts manufacturing companies in the Corporate Sustainability Assessment (CSA) and in producing ESG performances across sectors. In particular, the company's use of renewable energy has been expanded following the establishment of the RE100 goal and implementation plans. In the TCFD report of 2021, the analysis on physical risks (estimated scale of loss due to the risk of natural disasters, etc.) considered as limits by most domestic companies was impressive. To upgrade the report quality further, it will be helpful to disclose data on the expected impacts based on various climate scenarios.

In the automotive parts manufacturing industry, the importance of reusing and recycling parts and extending the lifespan of parts, etc. for compliance with circular economy is growing. In the social aspects, it is necessary to strengthen product safety and safety risk management in order to protect the company from litigations and various legal measures. In addition, as the bar of supply chain management is expected to be raised, greater attention must be paid to the establishment of environmental goals, protection of biodiversity, prevention of green washing, respect for human rights, health and safety management in plants, etc. Lastly, in addition to risk management, the focus must be on positive impacts so that they can lead to the production of visible outcomes in financial figures.

## Director Eun Kyung Lee, UN Global Compact Network Korea (Association, NGO, Local Community)



Hyundai Mobis has been promoting sustainable management for over ten years. It consistently implements the ESG vision, strategies, and policies established through disclosures. In particular, Hyundai Mobis, which is committed to developing into an eco-friendly company, is actively responding to global climate change by joining the SBTi for the first time in Korea's automotive parts industry, declaring the 2045 Net-Zero, and announcing the roadmap. In terms of the switch to sustainable business portfolio, which is most important for ESG internalization, Hyundai Mobis is building global competitiveness by strengthening its eco-friendly product and technology development capacities.

In relation to ESG and SDGs, companies worldwide are establishing and disclosing detailed and quantitative short, mid, and long-term goals. Especially, social issues stand out in line with the ESG regulatory and investment trends. Accordingly, these companies are continuously improving the standards of their policies and levels of policy implementation, such as for the management of DE&I (diversity, equity, and inclusion) issues including the organization's gender issues, bolstering of human rights inspections, and relief mechanisms. Hyundai Mobis also needs to integrate ESG from the perspective of human capital and check for and improve on the risks in the supply chain as well as increase efforts for ESG support in addition to fostering female talents and raise the percentage of female executives.

Hyundai Mobis has been fulfilling its social responsibilities as a member of the UNGC. I hope Hyundai Mobis will continue establishing and improving processes to identify clearly and manage the expectations of key stakeholders through various channels including periodic ESG performance assessment. I also hope that the company will strengthen communication with and training for employees to help them achieve internalization of the ESG values.

# Materiality Assessment



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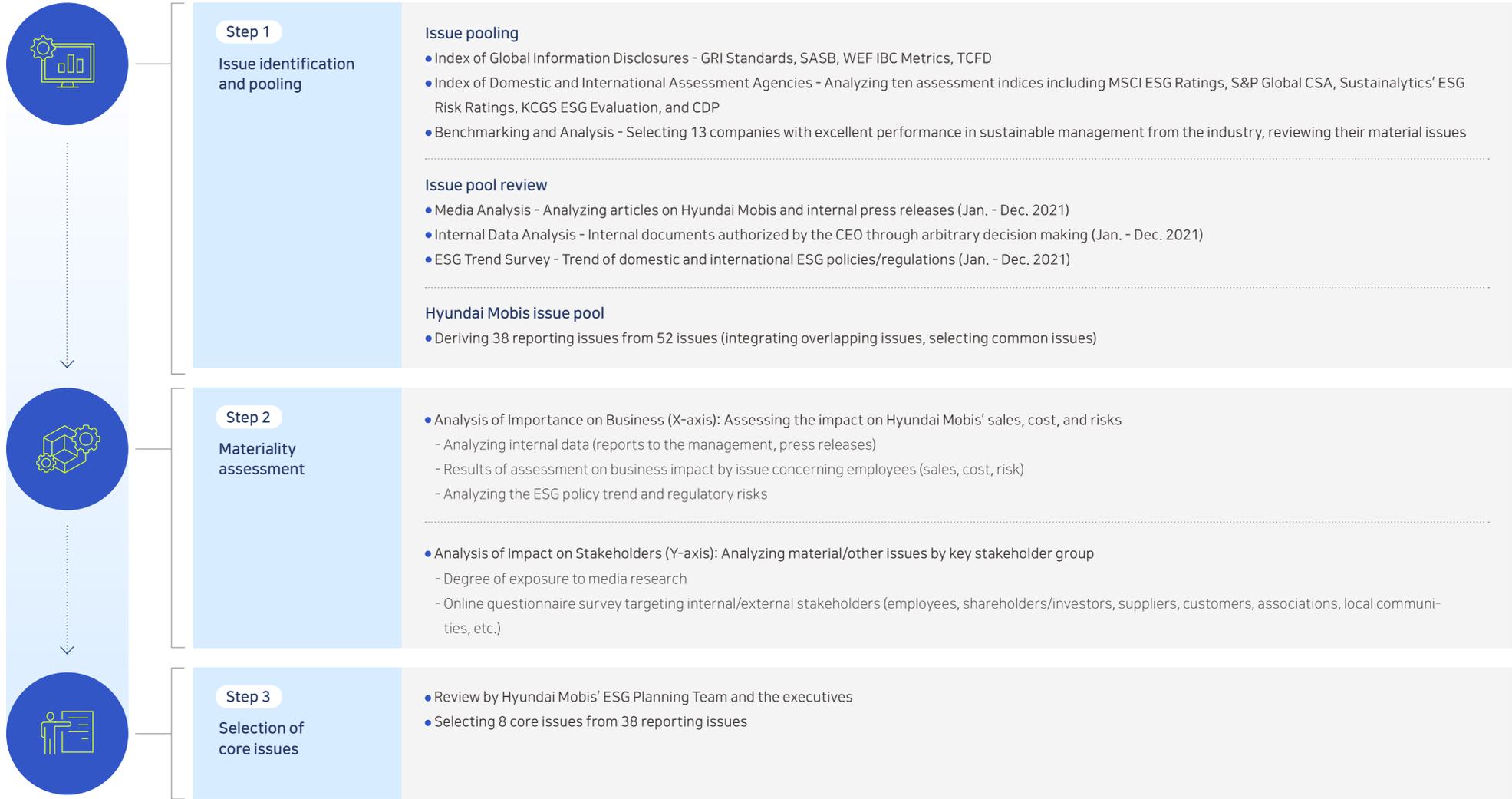
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## Materiality Assessment Process



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# Materiality Assessment

## Materiality Matrix



Materiality Assessment Result (Reporting of Core Issues)	Impact on Stakeholders						Importance for Business			Report Section
	Employees	Suppliers	Customers	Domestic and Overseas OEMs	Shareholders and Investors	Associations, NGOs, and Local Communities	Sales	Cost	Risk	
1 Securing technological competitiveness by bolstering R&D	●●●●	●●●	●●●●	●●●●	●	●●●	●●●●	●●●	●●●	Business Strategy
2 Climate change response (all scopes)	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	Climate Change Response
3 Strengthening collaboration for shared growth in the supply chain	●●●	●●●●	●●●●	●●●	●	●●●●	●●●●	●●●	●●●●	Sustainable Supply Chain
4 Expanding the global market share	●●●●	●●●●	●●●	●	●●	●	●●●●	●●●	●●●	Business Strategy
5 Securing sound governance	●●●●	●●	●	●	●●●	●●●	●●	●●●	●●●	Shareholder Value Creation, Competitive Board, Audit Body
6 Developing and expanding eco-friendly products	●●●	●●●●	●●●	●●●●	●●●●	●	●●●	●●●	●●●	Climate Change Response
7 Securing product safety and quality	●●	●●	●●●●	●●●●	●●●	●	●●●●	●●●	●●●●	Product Stewardship
8 Mobility change and innovation	●●●	●	●●●	●	●●●	●	●●●●	●●●	●●●	Business Strategy

\* ●●●●: Very High, ●●●: High, ●●: Medium, ●: Low

\* Sales Increase: (In case of successful implementation) Impact on value creation business activity and process, Cost Efficiency: Impact of improving/worsening financial performance by decreasing/increasing cost Risk Management: Impact of corporate reliability fluctuation and application of regulations

## Materiality Assessment Result

Through the materiality assessment in 2022, “securing of technological competitiveness by bolstering R&D,” “climate change response (all scopes),” and “strengthening of collaboration for shared growth in the supply chain” were derived as the issues of the highest importance, showing continuity from the core issues of the previous reporting year (2021). As a new core issue, “expanding global market share” reflects stakeholders’ expectations of Hyundai Mobis to become a company leading future mobility. It is evaluated to have major impacts on Hyundai Mobis’ business in the future.

## Material Issues and Emerging Issues by Category

Classification	Material issues	Emerging issues
Economic/Governance	<ul style="list-style-type: none"> <li>9 Response to global environmental change and integrated risk management</li> <li>14 Compliance management</li> <li>17 Strengthening branding power</li> <li>19 Elaborating ESG Governance (establishing and implementing the sustainable management system)</li> <li>23 Managing intellectual property rights</li> </ul>	<ul style="list-style-type: none"> <li>29 Upgrading corporate infrastructure and systems</li> <li>31 Expanding stakeholder engagement</li> <li>32 Expanding ESG information disclosure (advancing the sustainability reporting)</li> <li>33 Tax transparency</li> </ul>
Environment	<ul style="list-style-type: none"> <li>20 Complying with and responding to environmental laws and regulations</li> <li>22 Expanding product circularity</li> <li>24 Efficiently using raw materials (resources)</li> </ul>	<ul style="list-style-type: none"> <li>25 Air pollutant management</li> <li>26 Strengthening the management of hazardous substances</li> <li>28 Environmental impact of product packaging materials</li> <li>34 Waste management</li> <li>37 Protecting biodiversity</li> <li>38 Managing water resources</li> </ul>
Social	<ul style="list-style-type: none"> <li>10 Work and life balance (organizational culture)</li> <li>11 Securing and attracting excellent talents</li> <li>12 Improving employees’ competency and guaranteeing equal opportunity</li> <li>13 Supply chain ESG risk management</li> <li>15 Improving customer value</li> <li>16 Strengthening occupational health and safety</li> <li>18 Social contribution and local community development</li> <li>21 Reliable labor-management relationship</li> </ul>	<ul style="list-style-type: none"> <li>27 Employee diversity and inclusion</li> <li>30 Strengthening information security</li> <li>35 Respect for human rights</li> <li>36 Responsible minerals management</li> </ul>

Visioning Sustainability

# Core Sustainability Issues

Hyundai Mobis selected the eight highest-ranking issues as a result of materiality assessment as core issues, identified opportunities and risks, and reported key response strategies and activities. For sustainable management, we will actively respond to the core issues below and transparently and continuously disclose the processes and results to our stakeholders.

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Material Topic	Purpose	Background
<p>Securing technological competitiveness by bolstering R&amp;D</p> 	To strengthen positive impact	The automotive industry is changing rapidly centering on electric vehicles, autonomous driving vehicles, and eco-friendly vehicles. For automotive parts in particular, centralization and integration are being promoted through electrification and software development. According to McKinsey & Company, the technological environment will gradually shift to architecture consisting of a smaller number of electronic control units (ECU), and focus will be placed on the integration ability for added value created by primary suppliers. In addition, big IT companies—which are the advanced parts and solution providers—are actively participating in the automotive ecosystem as new competitors. Under the circumstances, preemptively securing technological competitiveness through R&D improvement can both determine a company's survival and serve as an opportunity for the company to lead the changing industrial paradigm.
<p>Climate change response (all scopes)</p> <p>GRI 201-2, 302-1, 305-1,2,3</p> 	To avoid risk	The WEF (World Economic Forum) warns that failure to respond to the accelerating climate change will lead to global GDP loss of 4-18% and ultimately produce the irrevocable result of making Earth uninhabitable for humans. Over 135 countries have declared their intention to achieve carbon neutrality by 2050 (as of July 2021), and related regulations including the "Fit for 55" of the EU are being tightened across the world. Investors and customers are demanding detailed business plans befitting the fulfillment of the net-zero goal. For transfer to the rapidly changing global automotive industry supply chain in particular, the decarbonization of energy sources used in the parts production process and improvement of manufacturing process efficiency are crucial. Carbon border tax, etc. will set new tariff barriers. Accordingly, securing business competitiveness requires agility in climate change response.
<p>Strengthening collaboration for shared growth in the supply chain</p> 	To avoid risk	For the restructuring and expansion of the eco-friendly vehicle supply chain, the Korea Institute for Industrial Economics and Trade (KIET) emphasizes the necessity of investment support for financing and product and production technology development in the automotive parts industry. The instability in supply chain triggered by the recent COVID-19 pandemic, trade disputes, and geopolitical conflicts also poses a major risk in the industry. Under the circumstances, strengthening collaboration for shared growth in the supply chain including support for ESG competency building and establishing a stable supply chain are very important tasks for companies in the automotive parts industry, which require cooperation with numerous suppliers according to the characteristics of the industry.
<p>Expanding global market share</p> 	To strengthen positive impact	According to the EU Megatrends (changes resulting in global-scale impact), emerging countries' influence on the global economy will amplify continuously. If the current trend continues, Asia is expected to account for over 50% of the global gross domestic product by 2050. Accordingly, sales expansion in not only advanced countries especially in North America and Europe but also emerging markets—which are surfacing as powerful consumption markets with purchasing power—must be taken into consideration. It is important to secure influence through preemptive market domination and overcome the intensifying competition in line with the growth of local brands.

## Response Strategy and Key Performance

Hyundai Mobis is continuously strengthening core technological competency in areas of future mobility in order to develop products and technologies that will lead the global market. Our R&D investment has grown continuously over the last four years (KRW 1.17 trillion in 2021), with R&D personnel increasing as well by 60% and 7.6% compared to 2017 and last year, respectively. In particular, we focus on strategically securing software human resources that will be the core of technological power in the future. At the same time, for the internalization of semiconductor design competency, we took over the semiconductor business sector of Hyundai Autron. In addition, while securing the next-generation autonomous driving system solutions based on the ADAS, we are expanding core technological development capacities such as for battery system and power controller in response to the increased electric vehicle distribution. Meanwhile, we are also expanding our global R&D network continuously by promoting equity investments and partnerships with a number of specialized companies.

Under the goal of "2045 Net-Zero," Hyundai Mobis is implementing four strategic pillars based on ① Green Plant (switch to renewable energy in business sites), ② Green Supply (Scope 3 supply chain management), ③ Green Product (expansion of carbon reduction products), and ④ Green Partnership (establishment of green ecosystem). In addition, we are implementing the scientific net-zero goals we have set by joining the RE100 for the switch to renewable energy and participating in the SBTi and TCFD. To advance as a global parts manufacturer leading the establishment of a net-zero environment, we intend to expand the target of low carbon transition as "business sites → supply and product value chain → local communities." Specifically, we will manage greenhouse gas emissions by focusing on expanding low-carbon/emission products throughout the product life cycle from material procurement to manufacturing and reuse.

Having operated an organization dedicated to shared growth since 2008, Hyundai Mobis is striving to strengthen the overall competencies of suppliers and establish a healthy supply chain based on collaboration with them. Especially in 2021, we started a new support program to assist in the future mobility transition. In addition, based on our shared growth programs including the "Seven Beautiful Promises," we are performing a variety of activities for not only ESG promotion but also technical, financial, and training support. To resolve the difficulties of suppliers and improve communication with them, we are also holding a number of communication events including regular meetings and seminars.

Hyundai Mobis is diversifying its global portfolio to include the new brands of China, etc. in addition to the advanced markets of North America and Europe. We are performing strategic and preemptive sales activities targeting global OEs, such as participating in various shows including IAA Mobility in Germany and Motor Bella Auto Show in the US. The orders we received from non-captive customers for core parts in 2021 increased 43% compared to the previous year. Our goal for 2022 is to achieve a 49% growth. In 2021, we also established a joint venture for electric vehicle battery cell in Indonesia with LG Energy Solution. Based on the joint venture, we will establish an electric vehicle ecosystem and secure leadership in the fast-growing Southeast Asian market. Hyundai Mobis will strengthen competitiveness by developing products customized to local markets and operating an optimized parts supply chain through strategic cooperation with local companies and customers.

Material Topic	Purpose	Background	Response Strategy and Key Performance
<p><b>Securing governance integrity</b></p> <p>GRI 102-18, 102-22</p> 	<p><b>To ease the negative impact</b></p>	<p>According to a study conducted by the Korea Corporate Governance Service (KCGS), the governance level of a company not only has an impact on its corporate performance and reputation but also reduces corporate risk significantly. In particular, it was found to be important in the effective operation of shareholder right protection and audit bodies.</p> <p>In addition, as domestic and international investors assess a company's corporate value and decide investment by considering both financial and non-financial performances and risks, integrity of governance and expanded communication with stakeholders are critical issues for a company to attract investment and achieve sustainable growth.</p>	<p>To establish sound and transparent governance, Hyundai Mobis is operating the BOD based on diversity, expertise, and independence. Through the BOD, we have been continuously improving our corporate governance by establishing corporate governance charters, implementing an electronic voting system, setting up an expanded Corporate Sustainability Management Committee, holding the live broadcast of general shareholders' meetings, and receiving external assessments of the BOD.</p> <p>In 2022, we appointed Professor Hwa Jin Kim, an expert in the field of corporate governance, as outside director to establish sound governance centering on the BOD. We will also continue upgrading our audit system in the direction that invites investors, improves management efficiency, and increases corporate value.</p>
<p><b>Developing and expanding eco-friendly products</b></p> <p>GRI 201-2</p> 	<p><b>To strengthen the positive impact</b></p>	<p>According to the global eco-friendly vehicle market trend announced by the Bank of Korea, the eco-friendly vehicle market is expected to record a very high growth rate of 22.3% on average per year by 2030. OEMs across the world are declaring the suspension of internal combustion engine vehicle production according to the regulations of their respective countries. The expansion of the electrification product group is essential to dominate the market.</p> <p>In addition, environmental regulations on automobiles are forecast to be developed ultimately in the direction of taking into consideration eco-friendliness for the entire product life cycle, not just the operating stage. Therefore, it is important to increase not only the development and use of eco-friendly materials but also the intrinsic eco-friendliness of the manufactured products.</p>	<p>Hyundai Mobis is promoting the expansion of the portfolio for electrification parts of eco-friendly vehicle and developing and applying an integrated platform. In addition, we will continue expanding the production bases, such as electrification plants and hydrogen fuel cell plants, in order to establish an eco-friendly vehicle (EV, FCEV, etc.) ecosystem.</p> <p>Furthermore, we are striving to expand the use of eco-friendly packaging materials, develop and apply eco-friendly biomaterials, and promote the reuse and recycling of products. Ultimately, we will promote the eco-friendliness improvement of products in stages by conducting a life cycle assessment (LCA) on all our product groups.</p>
<p><b>Securing product safety and quality</b></p> <p>GRI 416-1</p> 	<p><b>To ease the negative impact</b></p>	<p>The quality and safety of a product are directly related to the protection of life. As such, failure to secure product quality and safety will not only incur a considerable amount of unexpected cost but also erode stakeholders' trust; thus posing a major risk in maintaining the business. Market surveyor Statista forecasts that the scale of the global automotive safety system market will grow from USD 88 billion to USD 120 billion.</p> <p>The scope and level of technological difficulty of product safety management are gradually increasing, such as securing battery safety according to the trend of electric vehicle transition, expanding advanced electronic control devices in line with the development of autonomous driving technology, and addressing cyber security issues resulting from the increased use of the connected car system.</p>	<p>To ensure product quality and safety, Hyundai Mobis is systematically managing the process from advanced development to post-mass production stage. We are also establishing a simulation-based verification system by situation in order to improve safety during vehicle operation. In addition, through quality data integration and expansion of AI-based smart factories, we will advance our quality management system.</p> <p>As a manufacturer of a range of automotive safety-related products including ADAS sensors for vehicle control and braking and security network products for communication inside and outside of a vehicle—aside from the traditional safety parts such as airbag and brake—we will further strengthen our technological power and quality verification for product safety.</p>
<p><b>Mobility change and innovation</b></p> 	<p><b>To strengthen the positive impact</b></p>	<p>Mobility innovation represented by CASE (Connected, Autonomous, Shared &amp; Service, Electric) is progressing rapidly.</p> <p>In addition, UN, EU, and BlackRock selected rapid urbanization as the upcoming mega trend, predicting that two thirds of the global population will live in urban regions by 2050. Under the circumstances, the role of more efficient, customized mobility service is gaining greater importance.</p> <p>In line with technological advancement, the transportation modes for people and goods are transforming rapidly, and the roadmap for mobility innovation is being developed in detail to include UAM, PBV (Purpose Built Vehicle), and Hyperloop.</p>	<p>Hyundai Mobis is discovering new business items in the UAM, robotics, and AI fields in addition to the existing autonomous driving and electrification. Accordingly, we added air mobility and robot parts manufacturing and sales to our business areas. In addition, we will actively meet various mobility needs—such as for last mile delivery—by developing electric vehicle-based PBVs. Having succeeded in developing the e-Corner Module as a core technology of PBV in 2021, we are planning the supply of PBV mobility solution through the application of autonomous driving technologies by 2025.</p> <p>We are operating Open Innovation Centers in Silicon Valley, US and Shenzhen, China and expanding investment as well by forging strategic partnerships with technological specialists such as Boston Dynamics and Sonatus.</p>

# ESG PERFORMANCE

Environment Social Governance



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## Key Performance



Declared 2045 Net-Zero  
and joined SBTi



Recorded a 14.6% increase  
in sales of eco-friendly  
products



Expanded the application  
of eco-friendly packaging  
materials

## Executive Message



[Head of Planning/Man-  
agement Support Division]  
Managing Director  
Young Bin Kim

**“We will take the low-carbon, eco-friendly transition as an opportunity for Hyundai Mobis.”**

The capacity to respond to environmental issues such as climate change has become a key element of a company’s competitiveness. The automotive industry in particular is facing demand for rapid transition that is even comparable to the upheaval of the industrial paradigm. Based on systematic eco-friendly vision and strategies, Hyundai Mobis is keeping the negative impact on the environment to a minimum through aggressive investment and operation of a company-wide environmental management system. Please keep an eye on Hyundai Mobis’ effort to achieve innovation for Earth and future generations.



[Head of R&D Division]  
Managing Director  
Jae Seung Cheon

**“We are leading the eco-friendly automotive parts market to ensure the sustainable future of mobility.”**

Hyundai Mobis pursues the realization of eco-friendly, clean mobility for Earth and future generations. Our efforts for eco-friendly transition include resource recycling, pollutant reduction, and energy saving throughout the process from product design and development to production, distribution, use, and disposal. We are creating an advanced eco-friendly transition system by strengthening technological power and promoting innovation, such as development of eco-friendly materials and securing of mass production competitiveness. We will do our best to lead the rapidly growing eco-friendly parts market with Hyundai Mobis’ technological power.

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## Environmental Management

### Environmental Management Framework

#### Environmental Management Policies

With environmental regulations being tightened across the world, the environmental strategy of a company draws attention as a core element of its business management. Accordingly, Hyundai Mobis, while actively implementing environmental management, has established an environmental management policy to preserve the resources of local communities and protect the environment.

We are promoting environmental management according to the direction of our management strategies by communicating with various stakeholders including our employees and suppliers.

#### Hyundai Mobis' Environmental Management Policy

Hyundai Mobis develops and operates an integrated environmental management policy in order to establish a preemptive, advanced climate change response system.

- We periodically review legal standards and inspect the status of risks for strict compliance with environmental laws.
- We establish company-wide mid- to long-term eco-friendly response strategies, continue upgrading the goals, and verify the effectiveness of the outcomes.
- We realize sustainable energy reduction by improving energy efficiency, such as through renewable energy transition and smart factory operation.
- We minimize the environmental impact by reducing air pollutant and greenhouse gas emissions from business sites through the application of new eco-friendly technologies.
- We establish an eco-friendly technological management system by developing and investing in core products for carbon reduction.
- We reduce waste generation and consequently establish a circular economy by using eco-friendly materials and reusing resources such as water.
- To preserve biodiversity and ecosystem, we strive to manage business sites and improve the local environment.

#### Environmental Management System Certification

As of January 2022, 42 domestic and 16 overseas business sites of Hyundai Mobis are operating the environmental management system they have each established by acquiring ISO 14001, an international certification for the environmental management system. To have the certification renewed annually, we are comprehensively inspecting and improving the environmental management status by site. For uncertified sites, we are promoting the acquisition of certification within 2022.

#### ISO 14001 Certification Status (as of Jan. 2022)

Classification	Target	ISO 14001 Certification	Certification Rate (%)
Domestic	Manufacturing <sup>1)</sup>	16	13
	Parts Centers <sup>2)</sup>	29	29
Overseas	Manufacturing <sup>3)</sup>	19	16
<b>Total</b>		<b>64</b>	<b>58</b>

1) New sites excluded (Inju Site commenced mass production in 2022)

2) Including headquarters, distribution centers (5), parts centers (22), and Cheonan Storage

3) Joint ventures excluded

#### Detailed Certification Status by Business Site

Classification	Target	ISO 14001 Certification
Domestic	Manufacturing	
	Jincheon	○
	Changwon	○
	Ulsan	○
	Ulsan Electrification	X
	Daegu Electrification	X
	Asan	○
	Gwangju	○
	Ihwa	○
	Anyang	○
Seosan	○	

Classification	Target	ISO 14001 Certification			
Domestic	Manufacturing	Gimcheon	○		
		Poseung	○		
		Inju	N/A		
		Cheonan IP	○		
		Cheonan EBS	○		
		Pyeongtaek	X		
		Chungju	○		
		Parts Centers	Service (29 centers)	○	
		Overseas	China	MBJ	○
				MJS	○
MWX	○				
MTJ	○				
MCQ	○				
MCJ	X				
US	MAL			○	
MAL-GA	X				
MNA-MI	○				
MNA-OH	X				
MUA	N/A				
Brazil	MBR			○	
Mexico	MMX			○	
Europe	MSK			○	
	MCZ Module			○	
	MCZ Lamp			○	
	MRU	○			
India	MIN	○			
	MIA	○			
Turkey	MTR	○			

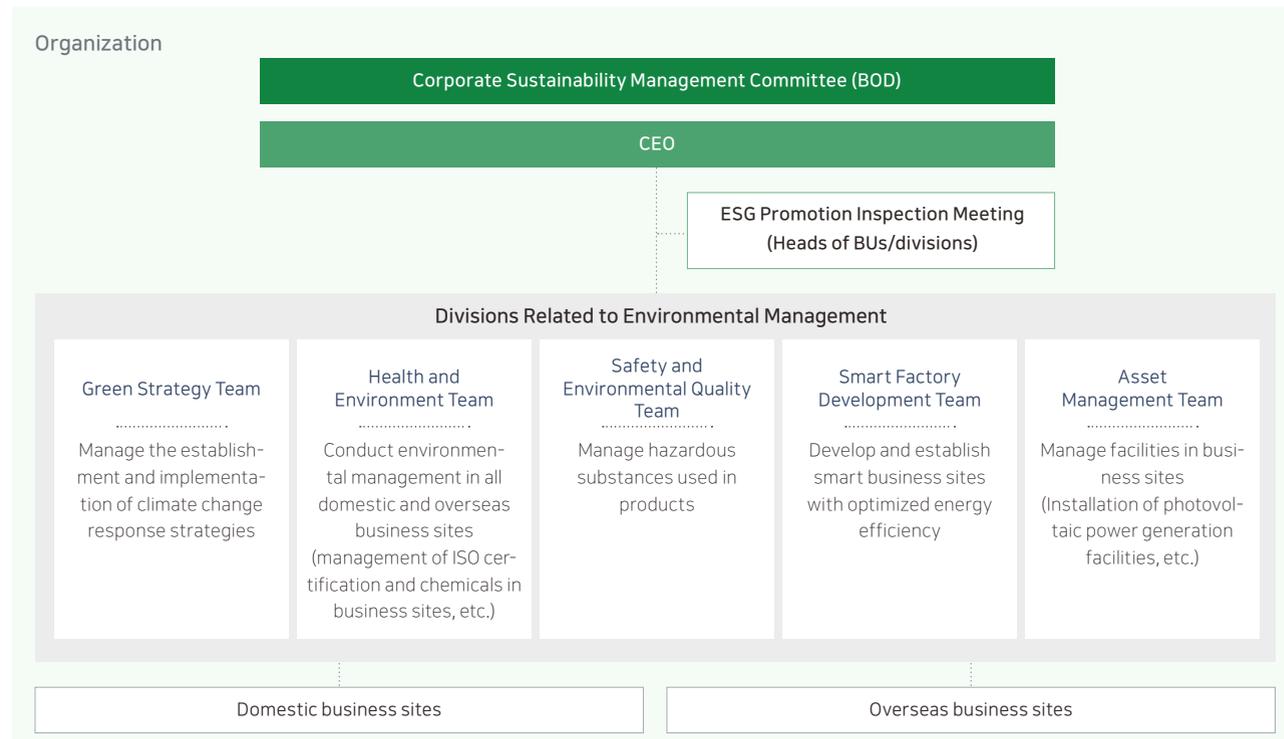
### Promoting Green Acceleration

Hyundai Mobis practices eco-friendly management across business sectors and seeks to become a “Green Accelerator” for Earth and future generations. We set the three directions of eco-friendly transition as net-zero, circular economy, and eco-friendly product expansion and also established mid- to long-term goals including an implementation roadmap.



### Environmental Governance

Hyundai Mobis is promoting environmental management implementation through cooperation with various divisions such as Health and Environment Team—which supervises environmental management in all domestic and overseas business sites—and Green Strategy Team, which is in charge of net-zero promotion strategies. At the ESG Promotion Inspection Meeting as a regular meeting participated in by the heads of key BUs and divisions as well as the CEO, company-wide issues and promotional directions are discussed. The key items on the agenda are reported to the Corporate Sustainability Management Committee (BOD).



### Environmental Impact Management

#### Environmental Accident/Emergency Response

Hyundai Mobis is operating the emergency handling and response regulations it has established in preparation for environmental accidents caused by natural disasters or accidental mistakes. The teams in charge of SHE (Safety, Health, Environment) in each business site establish scenarios and processes by emergency situation in order to manage related risks preemptively. They also strengthen emergency response capacities by holding regular educational and training sessions. In addition, through regular SHE inspections, the teams assess the response abilities and continuously discover areas for improvement. Hyundai Mobis is making all-out efforts for health and safety management and environmental accident prevention in business sites by providing information on duties and responsibilities to and sufficiently communicating with related stakeholders including all workers.

#### Environmental Training for Employees

For active response to the rapidly changing environmental issues, Hyundai Mobis provides a range of online and offline training programs to persons in charge of environmental management by category (water, air, waste, greenhouse gas, chemicals, etc.). While helping them form a consensus through in-depth discussions at the quarterly workshops, we are preparing them to respond preemptively to increasingly tightened environmental regulations. In addition, we provide all employees with environmental training as compulsory compliance training to enhance their environmental awareness.

# Climate Change Response

## Green Transformation to 2045 Net-Zero

### Hyundai Mobis Declaring 2045 Net-Zero

Following the establishment of the new climate regime through the Paris Agreement adoption in 2015, the international community agreed on a target temperature for human survival. The Intergovernmental Panel on Climate Change (IPCC), through the publication of the Special Report on Global Warming of 1.5°C, emphasized that the global temperature rise must be limited to 1.5°C by 2100 compared to the pre-industrialization era. Accordingly, countries across the world declared the 2050 Net-Zero Roadmap. The Korean government is also substantially promoting the 2050 Net-Zero Roadmap by legislating a national reduction goal as the 14th country in the world to do so through the enactment and enforcement of the Framework Act on Carbon Neutrality and Green Growth for Response to Climate Crisis along with the upgrading of the national reduction goal. In line with the trend, a company's climate change response has been established as a core element with which various stakeholders evaluate the company's corporate value.

Recognizing the climate change issue as both a risk and an opportunity, Hyundai Mobis established a net-zero promotion strategy in December 2021 under the vision of achieving the "Green Transformation to 2045 Net-Zero" for preemptive response to climate change. Our mid- to long-term net-zero vision, goals, implementation methods, and future plans have been reported to the Corporate Sustainability Management Committee and declared internally and externally.

Hyundai Mobis' net-zero declaration is based on an international pledge. In October 2021, by joining SBTi (Science Based Targets Initiative) for the first time in Korea's automotive industry, we internationally pledged to set an objective net-zero goal that conforms to the 1.5°C global warming scenario.

We are solidifying the foundation for systematically estimating and managing not only the emissions in domestic and overseas business sites (Scope 1, 2), but also emissions across the value chain (Scope 3) and planning to complete SBTi verification in 2023.

#### Joining SBTi and Participating in the Global Campaign (Business Ambition for 1.5°C, Race to Zero)

In October 2021, Hyundai Mobis became the first in Korea's automotive industry to join SBTi (Science Based Targets Initiative), an initiative jointly launched and operated by four global nonprofit organizations<sup>1)</sup> for the purpose of strengthening corporate climate actions to fulfill the Paris Agreement goals. Through a technical advisory group, it provides reduction goal setting methodologies and guidelines reflecting the latest climate science to companies. It independently assesses and approves the goals set by companies as well.

By joining SBTi, Hyundai Mobis internationally pledged to set an objective net-zero goal conforming to the 1.5 °C global warming scenario. We will complete the reduction goal verification by 2023. In addition, we are actively participating in global net-zero campaigns such as "Business Ambition for 1.5°C" and "Race to Zero" and strengthening transparent disclosures through the Carbon Disclosure Project (CDP).

1) World Wildlife Fund (WWF), Carbon Disclosure Project (CDP), United Nations Global Compact (UNGC), World Resources Institute (WRI)

#### Joining RE100

In April 2022, Hyundai Mobis joined the RE 100 (Renewable Energy 100%) for the first time in Korea's automotive industry. RE 100 is a global campaign promising 100% transition to renewable energy for the power consumption of businesses. It is jointly promoted by CDP and multinational nonprofit organization The Climate Group. Officially introduced at the UN Climate Summit in September 2014, RE 100 is a key plan for Hyundai Mobis, which consumes massive amounts of electric power, to achieve net-zero. Over 85% of the energy used by Hyundai Mobis is electric power, and most of its greenhouse gas emissions originate from the electric power generated using fossil fuel. To secure the driving force for renewable energy transition, Hyundai Mobis launched the RE Task Force consisting of persons in charge of energy and environmental management in approximately 100 business sites. The RE Task Force will submit an implementation plan within one year and have the implementation status inspected annually.



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Employee Value Expansion  
Safety and Health  
Social Contribution and  
Community Engagement  
Information Security

Governance

Shareholder Value Creation  
Competitive Board  
Audit Body  
Risk Management  
Compliance Management

Key Learnings in 2021

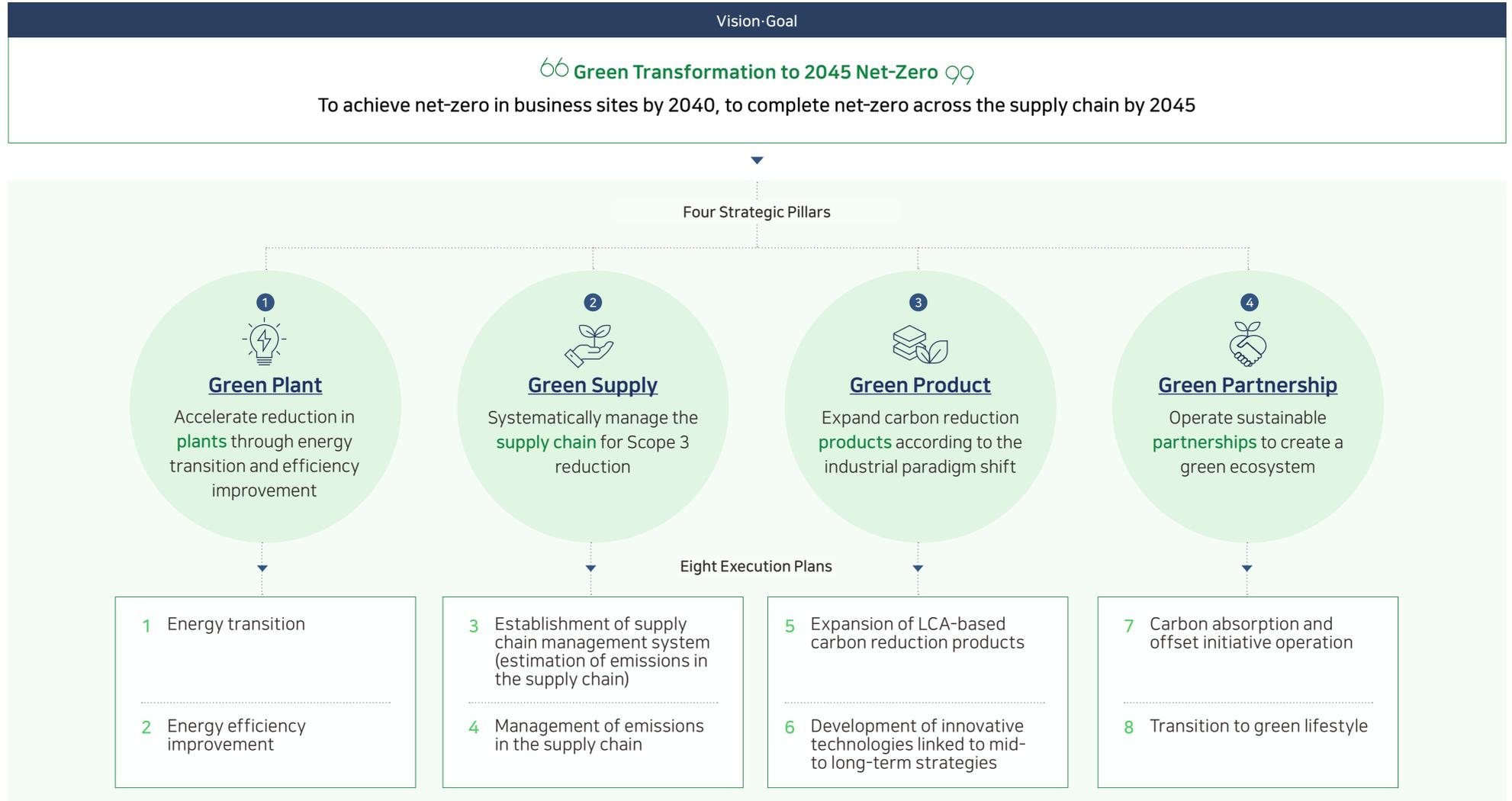
Appendix

### Net-Zero Promotion Strategies

The net-zero goal of Hyundai Mobis is to “achieve net-zero in business sites by 2040” and “complete net-zero across the supply chain by 2045.” To fulfill this goal, we will implement the four strategic pillars and eight execution plans we have established.

The four strategic pillars are ① Green Plant, ② Green Supply, ③ Green Product, and ④ Green Partnership. These strategies are established in a structure of diffusion from business sites to supply chain and product value chain, and finally to local communities.

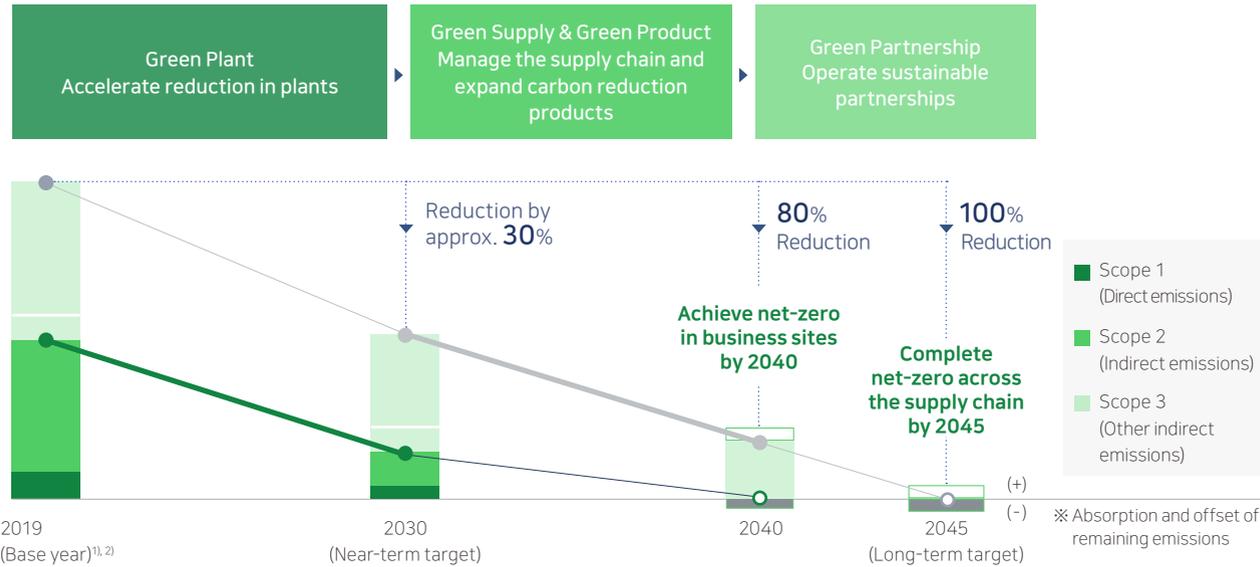
#### Net-Zero Vision and Goal / Four Strategic Pillars / Eight Execution Plans



### 2045 Net-Zero Roadmap

Hyundai Mobis established the “2045 Net-Zero Roadmap” to achieve approximately 30% reduction of greenhouse gas emissions by 2030 compared to 2019, achieve net-zero in all domestic and overseas business sites (Scope 1, 2) by 2040, and complete net-zero across the supply chain (Scope 3) by 2045. While preparing the basis for the four promotional strategies, we are aiming at systematically and effectively fulfilling the mid- to long-term greenhouse gas reduction goals by adjusting the implementation time and speed of each strategy.

By 2030, we will lead greenhouse gas reduction by 30% through the acceleration of greenhouse gas reduction in domestic and overseas business sites centering on the Green Plant strategy. Then, after 2030, we will focus on the Green Supply and Green Product strategies; thus promoting the achievement of Scope 3 reduction by accelerating greenhouse gas reduction across the supply chain and actively expanding carbon reduction products. The remaining emissions that will inevitably occur following our maximum effort for reduction across the entire value chain will be absorbed and set off through sustainable partnership operation under the Green Partnership strategy. By doing so, we will complete net-zero by 2045.



1) Greenhouse gas emissions in the base year (2019)

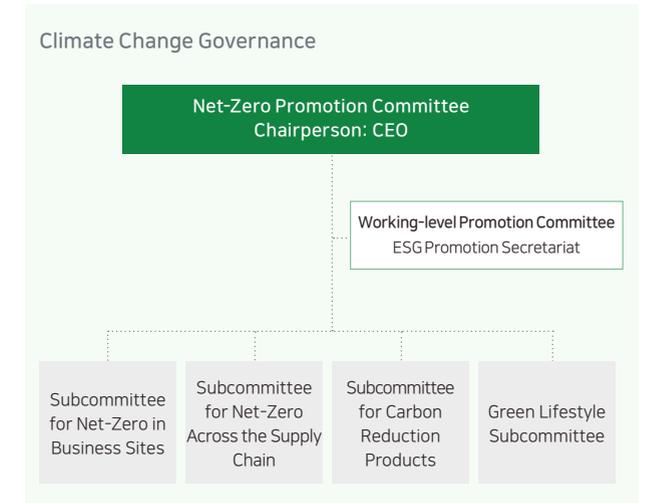
- Scope 1: 50,000 tons CO<sub>2</sub>eq (direct emissions caused by the use of energy other than electric power and steam in domestic and overseas business sites)
- Scope 2: 310,000 tons CO<sub>2</sub>eq (indirect emissions caused by the use of electric power and steam in domestic and overseas business sites)
- Scope 3: Over 20,000 tons CO<sub>2</sub>eq (OEM plants, employees' business trips, upstream leased assets, wastes generated from business sites, supply chain, etc.)

※ IT system currently being established for Scope 3 inventory estimation by category according to the GHG Protocol standards, emission estimation and reduction management across the value chain scheduled

2) Year of Target Establishment: 2021

### Climate Change Governance

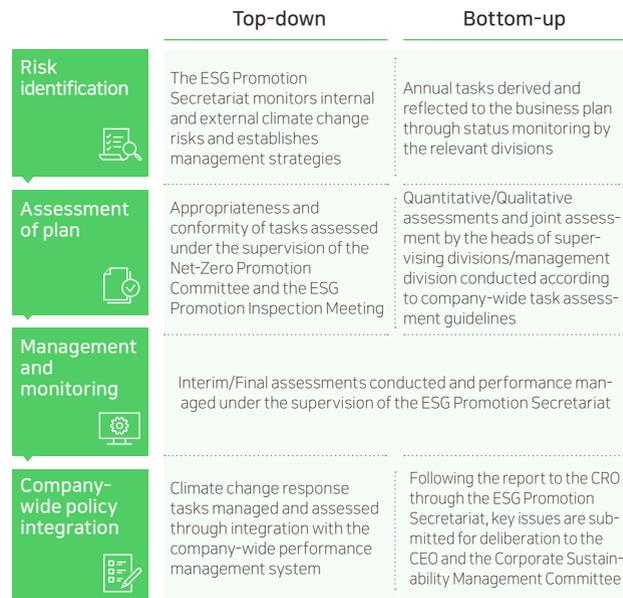
Hyundai Mobis established in 2021 the ESG Promotion Secretariat, which serves as a control tower for ESG management, and came up with 2045 Net-Zero promotional strategies; thus setting the direction for and speed of achieving net-zero. In addition, for company-wide integration and coordination as well as effective management of net-zero strategies, we will organize and operate the Net-Zero Promotion Committee. Led by subcommittees established for each of the four strategic pillars, we prepare detailed execution plans reflecting the characteristics of the respective BUs/divisions and inspect and assess the implementation status. For the Net-Zero Promotion Committee, the ESG Promotion Secretariat integrates and coordinates the subcommittees as a working-level promotion committee, and the key items on the agenda are reported to the CEO who also serves as the chairperson of the Committee.



## Climate Change Risk Management Process

For systematic climate change risk management, Hyundai Mobis linked the climate change risk management process to the company-wide risk management system and strengthened the level of management. For this, both top-down and bottom-up approaches, which are for the ESG Promotion Secretariat to inspect the risks and implement strategies and each business division to discover risks internally and address them as tasks, respectively, are adopted. We plan to expand the company-wide risk management.

### Risk Management Process



## Climate Change Risks and Opportunities

With the impact of climate change on corporate management environment amplifying, Hyundai Mobis identifies various climate change risks and opportunities and applies them to business strategies. We conduct short-, mid-, and long-term assessments on the likelihood and business impact of the risks and opportunities and prepare response strategies by analyzing various scenarios.

## Identifying Climate Change Risks and Opportunities

Type	Category	Timeline	Risk/Opportunity Factor	Response	Financial Impact
Transition Risk	Regulation Existing /Policy	Short-term	CER purchase according to the increase in GHG emissions	Establish a GHG reduction plan by investigating the GHG emission status and calculating the estimated emissions	Cost increase
			Fine imposition for noncompliance with fuel efficiency regulations, product recall and suspension of production	Continuously monitor the fuel efficiency regulations of each country	
	New	Mid-term	Tightening of international regulations (e.g., Carbon Border Adjustment Mechanism)	Identify risks and prepare response strategies through continuous monitoring of domestic and overseas trends and regulations	
	Law	Mid-term	Class action by stakeholders due to lack of climate change-related measures	Conduct periodic monitoring on legal claim cases in the automotive industry and expand communication with stakeholders	
	Technology	Short-term, Mid-term	Expansion of infrastructure and human resources for low carbon emission technology development	Expand investment in R&D for low emission technologies	
	Market	Mid-term, Long-term	Business portfolio adjustment according to the expanded demand for eco-friendly vehicles	Reinvent eco-friendly product development technologies and upgrade mass production capacity	
Physical Risk	Acute	Short-term	Increase in customer requirements (e.g., Renewable energy transition)	Make efforts for renewable energy transition	Sales decrease, cost increase
			Increase in national electric power cost and interest rate volatility	Continuously monitor factors causing volatility and status	
		Long-term	Customers' negative feedback according to media and corporate assessment	Establish and implement climate change response strategies at the right time [e.g., Activities in global initiatives (CDP, RE 100, SBTi, etc.)]	
	Chronic	Short-term	Talent churn due to dip in reputation, difficulty in forming environment-specializing organization	Activate internal and external communication and publicize the details of ESG activities	
			Damage to assets (facilities, buildings) due to extreme weather conditions, such as cyclone and flood	Strengthen the natural disaster risk management system (manual development, scenario analysis, advance measures in preparation for extreme weather)	
		Long-term	Additional installation of facilities for production stability		
Opportunity	Product and Service	Mid-term	Loss of assets due to sea level rise	Purchase insurance in preparation for asset loss	Sales increase
			Increase of risks in the supply chain due to average temperature rise and changes in precipitation	Upgrade the inventory management process and monitor the supply chain in advance	
	Resilience	Short-term	Increase in demand for low carbon/carbon avoidance products and services	Suggest the electrification portfolio and roadmap	
	Energy Source	Mid-term, Long-term	Expansion and diversification of eco-friendly business activities		
	Resource Efficiency	Short-term	Bolstering of product technology and price competitiveness through prior review of supply chain diversification	Discover and review potential suppliers	
	Market	Mid-term	Reduction of exposure to the risk of fossil fuel price increase through renewable energy transition	Implement RE 100 promotion strategies	
Production capacity improvement through smart factory transition			Implement manufacturing innovation task by standardizing the Ulsan electrification smart factory for pilot operation		
Mid-term		Profits from the sale of surplus CER and reduction of cost for CER purchase according to lowered GHG emissions	Implement GHG reduction strategies across the company and inspect performance		
Market	Mid-term	Expansion of global OE orders for new business items	Increase the sales ratio of eco-friendly products	Cost decrease, sales increase	
		Attraction of new investments in relation to eco-friendliness	Issue Green Bond		
			Increase in stakeholders' expectations through ESG performance improvement	ESG assessment and improvement activities (e.g., Net-Zero declaration, RE 100, TCFD declaration, etc.)	

\* Short-term: within 2 years, Mid-term: 2 years to 5 years, Long-term: More than 5 years

## Energy Management

### Renewable Energy Transition

As one of the key plans for realizing net-zero, Hyundai Mobis set as its mid- to long-term goals a 65% renewable energy transition by 2030 and the 100% transition by 2040 in order to change the energy used in business sites to low-carbon energy.

In August 2021, we launched the company-wide RE Task Force for successful renewable energy transition. We are establishing detailed strategies by considering priorities in renewable energy procurement options. In particular, following investment on a scale of KRW 7.37 billion in photovoltaic power generation facilities at the end of 2021, we plan to install photovoltaic power generation facilities at the parking lots in 4 domestic business sites and in the business site in India in 2022; through the facilities, we will procure renewable energy for a total of 433 TJ (45 GWh). In addition, having joined RE 100 as the first to do so among Korea's automotive parts makers in April 2022, we plan to submit the implementation performances for inspection annually. As such, Hyundai Mobis is striving for effective energy transition by studying renewable energy policies and trends in each region and organizing a renewable energy transition portfolio through direct renewable energy generation (photovoltaic), power purchase agreement (PPA), certificate (REC) purchase, etc.

RE100 Roadmap Report

### Ratio of Renewable Energy Use in 2021 and Short-term Goal



### Renewable Energy Transition Mid- to Long-term Goals (Unit: %)



### Energy Management in Business Sites

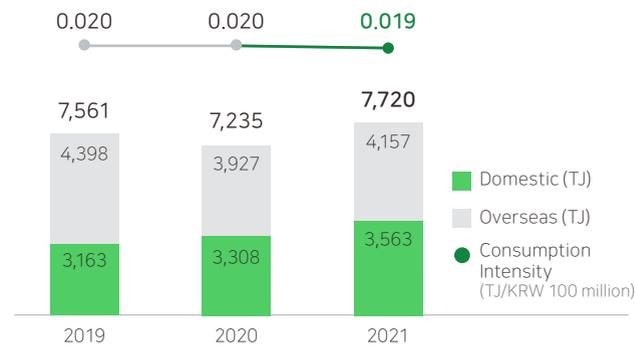
#### Energy Use Management

Hyundai Mobis is establishing GMEMS (Global Mobis Energy Management System) in major domestic and overseas business sites and monitoring the company-wide energy consumption status by detecting the real-time energy consumption of each facility. We are also continuously updating the system to enable efficient management through comparative analysis by time period, while managing the status and quality of energy supply as well as consumption cost by country.

In 2021, Hyundai Mobis' total energy consumption increased by 6.7% compared to the previous year due to the operation of new business sites (Ulsan, Daegu), hydrogen module line extension, etc. As a result of sales increase, however, our consumption intensity decreased by 5%. For overseas sites, we re-estimated the consumptions in 2019 and 2022 according to the adjustment of boundaries of the sites.

Hyundai Mobis is conducting various activities to reduce energy consumption and greenhouse gas emissions. In 2021, we replaced the old centralized cooling and heating systems with individually operated systems. We are also making effort to optimize facility operation by analyzing the energy consumption patterns of key facilities using AI and big data technologies in order to minimize the standby power consumed during the non-operation period. In addition, we are revising the energy management system to supplement the extended line according to the installation of new photovoltaic facilities.

### Domestic and Overseas Energy Consumptions



#### Operation of Smart Factory

Hyundai Mobis set the goal of "creating uninterrupted factory that moves smartly and by itself" by 2025, and it is establishing the Hyundai Mobis standard smart factory model by promoting the goal in phases. In 2021, we upgraded the technological development and system management of the Ulsan Electrification Factory in order to establish the basis for the smart factory system. We are also developing smart elementary technologies customized to production and operation for the data analysis-based factory establishment.

In detail, we enhanced process efficiency by developing the real-time CT (cycle time) measuring and process analysis system and software defect verification program. We also improved the automation ratio by introducing the automated heavy loading and the automated PE (power electric) and chassis module connection technologies. In addition, we developed the failure monitoring system and digitalized the facility/3D model synchronization technology validation process. As such, Hyundai Mobis is establishing a production system to ensure efficient factory operation.

#### Holding an Idea Contest for Employees

Through the internal channel "M.FIELDs," Hyundai Mobis is holding a year-round idea contest about products and technologies. The ideas collected through this program include not only those for infrastructure, such as "establishment of power saving system in offices using the PC-off system" and "operation of exercise machines with power generation functions in business sites," but also energy saving ideas related to the future industry such as "development of parts using carbon fiber reinforced plastics (CFRP)." We plan to promote new projects using the selected ideas.

## Greenhouse Gas Emission Management

### Greenhouse Gas Management in Business Sites

Since 2011, Hyundai Mobis has been operating the Mobis Greenhouse-gas Management System (MGMS) for systematic greenhouse gas management in business sites. We estimate the monthly greenhouse gas emissions by collecting energy consumption data from domestic and overseas business sites each month. Using the data, we manage greenhouse gas emissions in individual business sites.

We have also established a company-wide greenhouse gas reduction target, and we are managing the implementation performance. We set annual reduction targets by business unit and operate a program for assessing the emission performance. The reduction performances of each business sector are assessed in comparison to their respective goals, and additional points are given according to the results. This program helps the persons in charge in each business site improve their awareness of greenhouse gas reduction and strengthens the actual reduction activities.

In 2021, the amount of greenhouse gas emissions from domestic and overseas business sites increased by 3.6% compared to the previous year, and the intensity grew by 10%. The increased emissions are mainly attributable to the rise in energy consumption due to the operation of new business sites and production line extension. Our domestic business sites conducted reduction activities by establishing a reduction goal of 6% compared to the estimated emissions in 2021. For 2022, we established a reduction target of 6.7% in order to bolster the management of greenhouse gas emissions in business sites. We are performing various energy saving activities to fulfill this goal.

### Domestic and Overseas GHG Emissions

Classification		Unit	2019	2020	2021
<b>GHG Emissions from Business Sites (Scope 1 &amp; 2)</b>					
Total <sup>1)</sup>		tCO <sub>2</sub> eq	357,272	343,894	<b>356,334</b>
Scope 1	Total	tCO <sub>2</sub> eq	45,095	46,827	<b>52,725</b>
	Domestic	tCO <sub>2</sub> eq	16,875	20,706	<b>22,093</b>
	Overseas	tCO <sub>2</sub> eq	28,220	26,121	<b>30,632</b>
Scope 2	Total	tCO <sub>2</sub> eq	312,177	297,067	<b>303,609</b>
	Domestic	tCO <sub>2</sub> eq	139,070	142,459	<b>151,323</b>
	Overseas	tCO <sub>2</sub> eq	173,107	154,608	<b>152,286</b>
GHG Intensity (Scope 1&2) <sup>3)</sup>		tCO <sub>2</sub> eq/KRW 100 million	0.94	0.94	<b>0.85</b>
<b>Other GHG Emissions (Scope 3)</b>					
Total <sup>2)</sup>		tCO <sub>2</sub> eq	23,813	16,904	<b>14,964</b>
Scope 3	Outsourcing Companies	tCO <sub>2</sub> eq	9,188	9,029	<b>8,224</b>
	Business Travel	tCO <sub>2</sub> eq	10,047	3,813	<b>3,506</b>
	Upstream Leased Assets	tCO <sub>2</sub> eq	79	52	<b>257</b>
	Waste Generated in Operations	tCO <sub>2</sub> eq	4,499	4,010	<b>2,977</b>

1) GHG emissions of overseas business sites in 2019 and 2020 re-estimated according to the resetting of operating boundaries and application of updated values of the country-specific GHG emission factors (2019)

2) Domestic

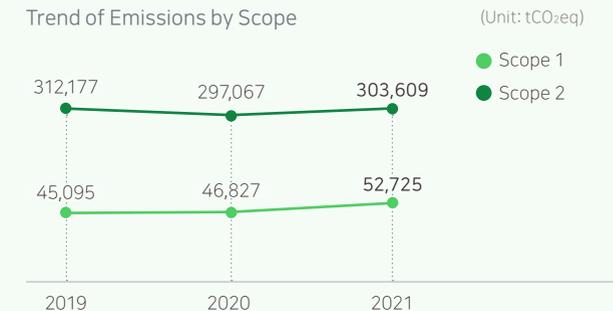
3) GHG Intensity: Total emissions/sales

### Trend of GHG Emissions from Domestic and Overseas Business Sites (Scope 1 & 2)

#### Trend of Total Emissions



#### Trend of Emissions by Scope



### Key GHG Emission Reduction Activities in 2021

#### Detailed Activities

- Replaced old centralized heating and cooling systems with individually operated high-efficiency systems
- Recovered waste heat by branching the exhaust duct and installing an insulated duct
- Established a smart factory energy management system
- Reduced power consumption by decreasing the temperature and pressure of air led into the compressor

**Cost Saved**  
Approx.  
KRW 229 million

**Reduction Performance**  
Approx. 714tCO<sub>2</sub>eq  
(Compared to 2020)

### Implementing the Domestic GHG Emissions Trading Scheme

Hyundai Mobis actively responds to the government's policy of reducing greenhouse gas emissions in domestic business sites. Following our designation as a company subject to the National Greenhouse Gas and Energy Management System, we have been estimating annual greenhouse gas emissions, having the figures verified by a third party, and reporting the data to the Ministry of Environment since 2016. We were also designated for the implementation of the GHG emissions trading scheme in 2019, and we have been implementing the scheme since 2020. In 2021, we reported the greenhouse gas emissions from our domestic business sites in 2020 and acquired certification on 163,165tCO<sub>2</sub>eq as the emission amount. Then, by submitting the certified emissions reductions to the Ministry of Environment, we completed our implementation of the scheme. We will continue the effort to fulfill our legal obligations, such as strengthening greenhouse gas management in domestic business sites and securing reserves in our certified emissions reductions.

### Participating in the K-EV100 Campaign

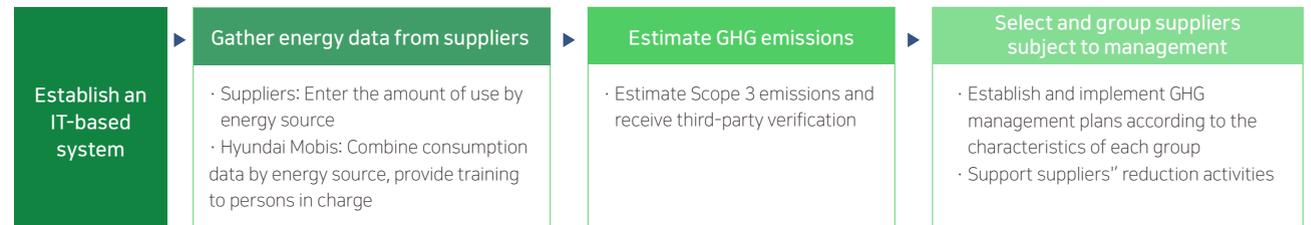
Hyundai Mobis participates in the K-EV100 campaign, the Korean model for 100% transition to zero-emission vehicles, to change the vehicles owned and rented by companies to electric or hydrogen fuel cell vehicles. In April 2021, we announced our transition plan by attending the first K-EV100 declaration ceremony. We have set the goal of achieving 30% transition by 2025, 70% transition by 2028, and finally 100% by 2030. To increase zero-emission vehicle use, we developed a plan for the phased installation of charging infrastructure in our business sites and, based on the plan, installed three electric vehicle chargers in 2021. We will expand our effort for carbon reduction through the establishment of a total of 200 chargers including 12 quick chargers in business sites by 2030.

### Greenhouse Gas Management in the Supply Chain

Recognizing the importance of managing supply chain greenhouse gas emissions, which account for a considerable portion of greenhouse gas emissions in the value chain, Hyundai Mobis is striving to manage the greenhouse gas emissions systematically across the supply chain. This year, we will establish an IT-based system to collect energy data from each supplier and solidify the foundation for quantitatively estimating greenhouse gas emissions. Using the estimated emissions, we will establish greenhouse gas reduction strategies and implement reduction together with our supplier.

Meanwhile, at the general meeting of suppliers held in March 2022, we provided information about the global environmental management trend and the direction of our ESG promotion and also shared our plans for greenhouse gas management across the supply chain. Hyundai Mobis will further expand the joint effort for climate change response by conducting various activities for greenhouse gas management at the same time while assisting in the awareness improvement of supplier.

#### Supply Chain Greenhouse Gas Management Process



### Air Quality Management

#### Managing Air Pollutants in Business Sites

To minimize the environmental impact of air pollutants, Hyundai Mobis, according to the Montreal Protocol, bans the use of ozone-depleting substances not only at the domestic factories but also in the manufacturing processes of suppliers. We are not discharging volatile organic compounds (VOCs), a main substance causing global warming and ozone layer depletion, and we intensively manage the discharge of hazardous air pollutants from our facilities and processes, etc. through regular inspections on facilities generating fugitive emissions. In addition, we monitor the concentrations of air pollutants discharged from business sites through the internal safety and environmental management system and apply a strict internal operating standard to keep the concentrations below 80% of the legal limit.

In 2021, in keeping with the continued tightening of related statutes such as the Clean Air Conservation Act, we installed the Environment Management Team to secure a foundation for strengthening our environmental management. Led by Environmental Management Team, we inspect the status of legal operation of air pollutant discharge and prevention facilities. Likewise, while strengthening environmental monitoring, we conduct activities to improve old air environmental facilities and regularly replace the fillers in order to optimize environmental facilities and minimize air pollutant discharge. Despite the continuous increase in our production facilities, we strive to reduce and maintain the amount of air pollutant discharge at the 2020 level. We have also set the goal of "zero additional air pollutant discharge by 2025."

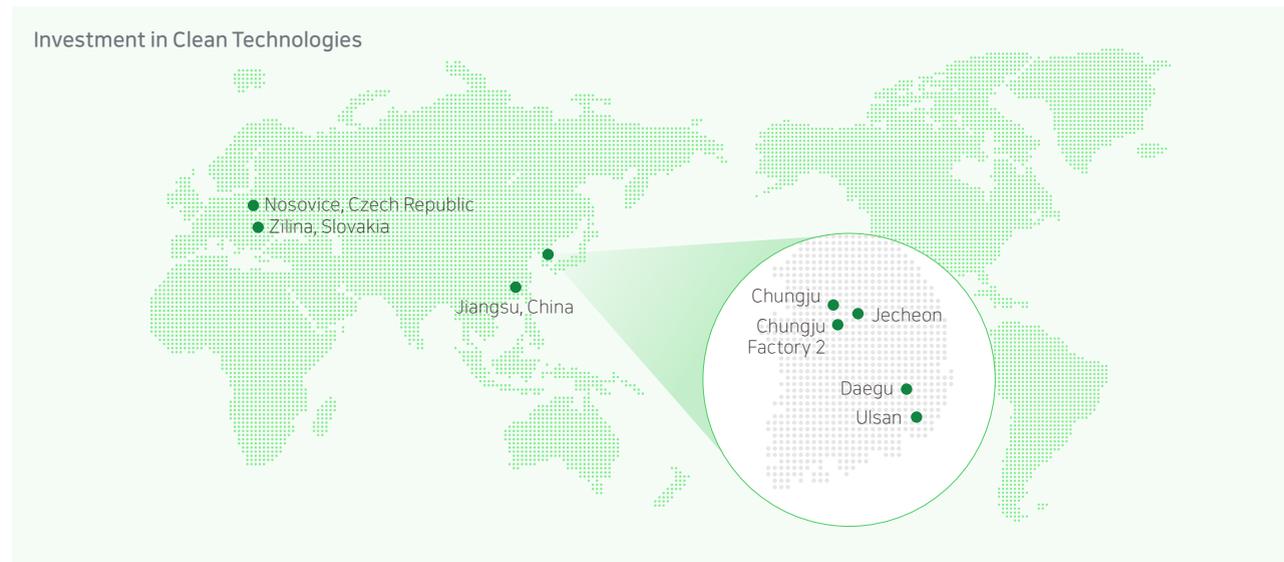
## Eco-friendly Products

### Expanding Investment in Clean Technologies

Hyundai Mobis is striving to develop and mass-produce and supply products with global competitiveness stably by continuously expanding investment in eco-friendly products such as electrification parts, despite the unstable internal and external management environments. In the domestic market, we are supplying batteries and parts for hybrid, electric, and hydrogen fuel cell vehicles by establishing a large-scale mass production system. We also plan to promote cost reduction by building an exclusive platform.

In 2021, we started operating new electrification parts manufacturing sites in Ulsan and Daegu. The Ulsan Factory, through an investment of KRW 250.9 billion, is annually producing 160,000 batteries as a core electrification part. The Daegu Factory, through an investment of KRW 124.6 billion, is producing 470,000 PE (Power Electric) systems a year.

In the field of R&D, we invested approximately KRW 95.2 billion in research facility installation as well as new product and technology development. As such, we are focusing on competency building in order to secure mid- to long-term growth engines.



Domestic	Product Type	Production Scale	Overseas	Product Type	Production Scale
Chungju	Traction motor, battery, etc.	740,000 a year (motor)	Jiangsu, China	Battery	85,000 a year
Chungju Factory 2	Hydrogen fuel cell	17,000 a year	Nosovice, Czech Republic	Battery	44,000 a year
Ulsan	Battery	160,000 a year	Zilina, Slovakia	48 V battery	260,000 a year (48 V battery)
Daegu	PE system ICCU <sup>1)</sup>	470,000 a year (PE system)			
Jecheon	Battery	95,000 a year			

1) Integrated charging control unit

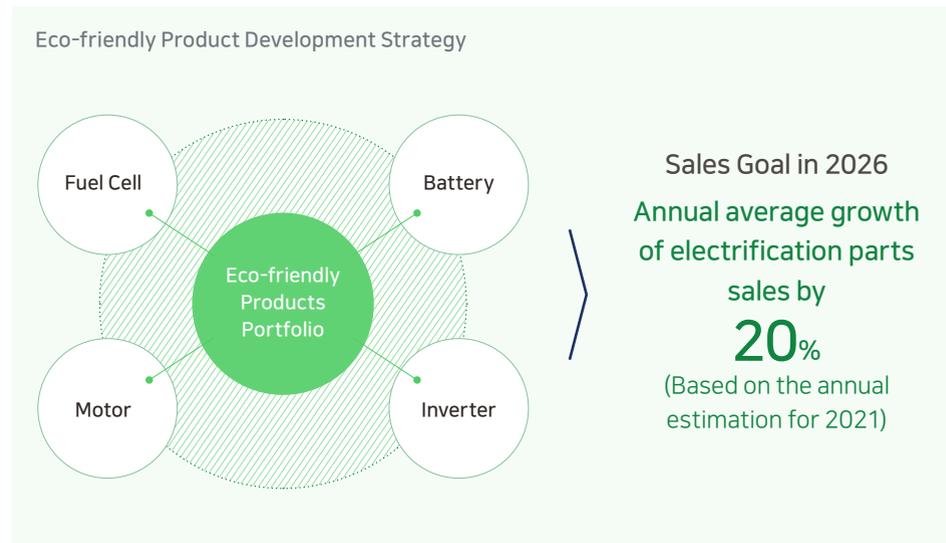
### Clean Technology Investment Performance and Plan



#### Case Issuing ESG Bond

In July 2021, for the purpose of investment in the electrification business, Hyundai Mobis issued the first ESG Bond (Green Bond) with three, five, and seven-year maturity on a scale of KRW 350 billion according to the principles set by the International Capital Market Association. With the receipt of orders for KRW 1.08 trillion, which is more than four times the sales goal, the bond issuance produced a successful result. The ESG Bond obtained "Green 1," the highest grade in Green Bond assessment for certification, from NICE Investors Service. Thus, it is evaluated to conform to the Green Bond guidelines of the Ministry of Environment and ICMA. The corporate bond issued will be used for equity investment in the electrification business as well as installation of a research building for the integrated R&D Center in Euiwang and factory and line extension for the production of electric vehicle parts.

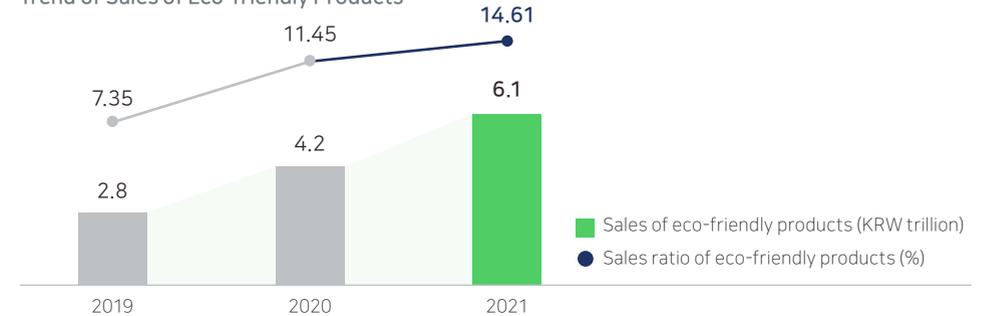
## Eco-friendly Product Development



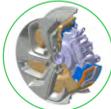
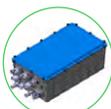
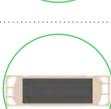
Hyundai Mobis is seeking to advance as a leading company in the automotive electrification fields by focusing all competencies on technological development and mass production capacity improvement in relation to electrification products as eco-friendly and value-added automotive parts. Accordingly, we established a portfolio of core parts across all areas, such as electric energy production (fuel cell), storage (battery), conversion (inverter), and driving (motor), which are necessary for hybrid and electric vehicle production, and promoted their commercialization. We plan to develop and expand the portfolio continuously. In the case of fuel cell, which is a core part of hydrogen fuel cell vehicles that are drawing attention as an eco-friendly mobility together with electric vehicles, we are stably mass-producing it based on our advanced technological power.

Our eco-friendly product sales in 2021 stood at KRW 6.1 trillion, accounting for 14.6% of the total sales. Linked to Hyundai Mobis' management directivity, it is displaying a trend of steady growth. In fulfilling the goal of eco-friendly product sales by 2026, which is to achieve a 20% annual average growth of overall electrification parts sales (based on the annual estimation of 2021), we set the three directions of improving "cost competitiveness, technological competitiveness, and manufacturing competitiveness."

Trend of Sales of Eco-friendly Products



Key Technology Development

Core Parts Portfolio	Sales Ratio (% in electrification sales)	Key Technology Development Goal
Driving System	31%	 <b>PE system (power electric system)</b> · Develop the motor, inverter, and decelerator-integrated driving system for mass production
		 <b>In-wheel motor (direct drive)</b> · Develop the in-wheel motor system for multipurpose vehicles · Develop the direct-drive rear wheel in-wheel system
Controller/Electrification Parts		 <b>PCU (power control unit) OBC (on board charger)</b> · Develop the system to include V2G/V2H/V2L functions · Design the functional safety system and AUTOSAR platform
Battery System	64%	 <b>BSA (battery system assembly)</b> · Develop a 48 V MHEV battery system with AUTOSAR (automotive open system architecture) application
Fuel Cell	5%	 <b>MEA (membrane electrode assembly)</b> · Develop high-power MEA for application to various mobility types · Develop high-efficiency MEA for application to building/power generation system

Environment

Environmental Management  
Climate Change Response  
Circular Economy

Social

Sustainable Supply Chain  
Product Stewardship  
Protection of Basic Rights  
Employee Value Expansion  
Safety and Health  
Social Contribution and  
Community Engagement  
Information Security

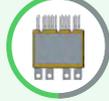
Governance

Shareholder Value Creation  
Competitive Board  
Audit Body  
Risk Management  
Compliance Management

Appendix

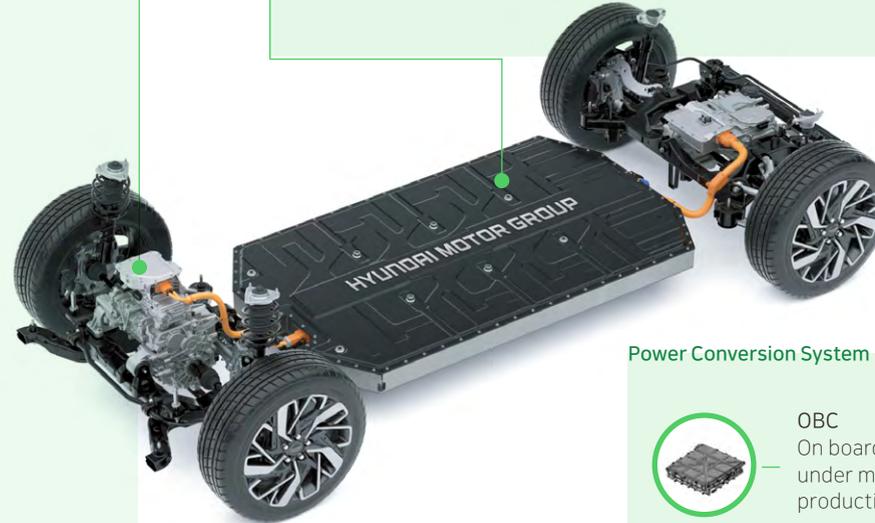
Hyundai Mobis Electrification Parts ● Technology Internalization

Driving System

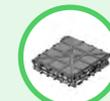
-  PE System  
Power electric system  
under mass production
-  HSG  
Hybrid start & generator  
under mass production
-  PCU  
Power control unit  
under mass production
-  Power Module  
Power module under mass  
production
-  In-wheel Motor  
Advanced development  
of in-wheel motor in  
progress

Battery System

-  (P)HEV
-  EV
-  48V LDC Integrated Type
-  BSA  
Battery system  
assembly under  
mass production
-  BMS  
Battery management  
system under mass  
production



Power Conversion System

-  OBC  
On board charger  
under mass  
production

Fuel Cell System

-  PFC  
Powertrain fuel cell  
complete under  
mass production
-  MEA  
Membrane electrode  
assembly under  
mass production

Parts Used in Eco-friendly Vehicles

- Hybrid vehicle driving system  
Battery system
- Electric vehicle driving system  
Battery system, charger
- Hydrogen fuel cell vehicle  
driving system  
Battery system, fuel cell system

CO<sub>2</sub> Emissions per Vehicle<sup>1)</sup>

<b>142.8g/km</b>	<b>93.1g/km</b>	<b>31g/km</b>	<b>0g/km</b>
<b>Internal combustion engine vehicle</b>	<b>Hybrid electric vehicle (HEV)</b>	<b>Plug-in hybrid electric vehicle (PHEV)</b>	<b>Electric vehicle (EV)/ fuel cell electric vehicle (FCEV)</b>

1) CO<sub>2</sub> emissions per vehicle  
 · Calculated targeting domestic and overseas eco-friendly vehicle models as well as the corresponding internal combustion engine vehicle models  
 · CO<sub>2</sub> Emissions from Internal Combustion Engine Vehicle: Corresponding internal combustion engine vehicles (Average emissions by model x total production quantity by model) / (total production quantity of the corresponding internal combustion engine vehicles)  
 · Formula for CO<sub>2</sub> Emissions of HEV, PHEV, EV, and FCEV: By type (Average emissions by vehicle model x total production quantity by vehicle model) / (total production quantity of each type)

Note: Source for CO<sub>2</sub> Emissions by Vehicle Model - Official website of Hyundai Motor Company/Kia Motors  
 Source for Annual Average Mileage - Statistics on Automobile Mileage, 2019, Korea Transportation Safety Authority

GHG Reduction Effect

GHG Reduction Effect of Eco-friendly Vehicle Parts Application in 2021<sup>2)</sup>

▶ **792,328ton**

2) Formula for GHG Reduction Effect: Sum of CO<sub>2</sub> emissions avoided by vehicle model (average reduction effect x mileage)  
 \* Average Reduction Effect: (Mean of maximum and minimum emissions by the corresponding internal combustion engine vehicle model) - (mean of maximum and minimum emissions by eco-friendly vehicle model)

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**Case** Key Technology Applications

**PSC-EX(Power Systems Complete-EX,  
a Hydrogen Fuel Cell Power System for Excavators)**

Hyundai Mobis, together with Hyundai Motor Company and Hyundai Construction Equipment, developed a hydrogen-powered excavator that uses hydrogen energy. The hydrogen-powered excavator is mounted with Hyundai Mobis' independently developed hybrid power system for construction machinery (fuel cell and super cap). This is the world's first case of the technology's application to construction machinery.



\* The 11th Korea International Construction Equipment Exhibition

The system's outstanding performance with higher continuous output and shorter charging time compared to the battery-powered excavators of the same class has been verified.

We completed functional verification in 2021 with the goal of technology commercialization in 2025. This system was introduced at the "H2 MOBILITY & ENERGY SHOW 2021," "Hydrogen Economic Performance and Hydrogen Economic Leading Country Vision Report," and "11th Korea International Construction Equipment Exhibition (CONEX KOREA 2021)." In 2022, we plan to exhibit this system at Bauma in Germany, one of the world's three construction machinery shows. We will continue developing hydrogen fuel cell power system technologies by expanding the application target from construction to industrial machinery.

**PE System for Niro (SG2) EV (160 kW Class)**

Hyundai Mobis developed the PE system optimized to single housing through the integration of motor, inverter, and decelerator functions. In the first quarter of 2022, we started mass production of the PE system for Niro (SG2) EV. Under this system, the motor size and weight are also reduced by up to 30% with power density increased using the independently developed wiring technology.



In addition, we secured a competitive edge by improving operating efficiency through the application of oil cooling and lubrication solutions.

**Secured Approx. 1,000 Patents on Autonomous Driving, Eco-friendliness, and Connectivity**

As of 2021, Hyundai Mobis has secured approximately 2,800 global intellectual property rights, around 1,000 of which are patents and international certifications for future technologies (autonomous driving, eco-friendliness, connectivity). We also applied for 295 new patents in relation to eco-friendly electrification and fuel cell technologies. We are striving to establish an eco-friendly ecosystem by actively sharing the patents with our suppliers.

**Contributing to GHG Reduction**

Hybrid electric vehicles whose core parts are supplied by Hyundai Mobis can reduce CO<sub>2</sub> emissions by 49.7 g/km from an average of 142.8 g/km per internal combustion engine vehicle. As for electric and hydrogen fuel cell vehicles, they do not produce carbon emissions internally. In terms of annual sales, this will create the effect of greenhouse gas reduction by a total of 792,328 tons. We are also contributing to greenhouse gas reduction by decreasing the weights of modules and parts through raw material change, reduction of the number of parts, and simplification of structure; thus reducing the amount of raw materials, which leads to improving the fuel efficiency of automobiles.

**Managing the Environmental Impact of Products**

To provide eco-friendly products, Hyundai Mobis uses raw materials whose conformance has been validated through hazard verification from the stage of product development. We are also striving to develop alternative materials that are harmless to humans and the environment.

**Developing Materials Considering the Environmental Impact**

**Lightweight Material Development**

To decrease the weight of automotive parts, Hyundai Mobis is replacing the existing materials with lightweight but high-strength materials such as special plastics and aluminum. As such, we are striving to ensure that the eco-friendliness of our products is managed from the stage of raw material selection. As a raw material to replace steel, aluminum can decrease the weight of automotive parts by 30 - 40% in general. When the weight is decreased by 10%, fuel efficiency is improved by 3.8%, and exhaust gas emissions are reduced by 5%.

In addition, according to the International Aluminum Institute, aluminum is a material whose properties do not change easily, so it has the highest recycling rate (75%) among metals. Accordingly, this material can considerably reduce the amount of carbon emissions in the manufacturing process.

Hyundai Mobis achieved a 20 - 30% weight reduction by applying aluminum to the structural parts (chassis sub frame, damper fork, etc.) for which steel materials had been previously used. We are continuously seeking ways to expand aluminum application.

**Eco-friendly Material Development**

Hyundai Mobis developed a bioplastic material, an eco-friendly material, through bio and chemical technology application to plant resources, and it is being applied to automotive interior parts. Isosorbide extracted from corn starch was used as the material for plastic polymerization and applied to the AVN front cover. Even when the material is replaced, the original performance of parts is guaranteed. In addition, we plan to increase the ratio of bioplastic material application by using biomass materials, such as wood powder or cellulose, as additives. We also have a goal of developing a technology for replacing plastic materials made using fossil fuel through more than 20% recycling and consequently applying it as an interior material for cockpit in 2024. At the same time, we are actively reviewing the development of new items according to a plan for expanded application to the peripheral parts. As such, Hyundai Mobis is developing bio and recycled materials in order to increase the rate of eco-friendly material application to automotive parts. We also plan to increase the ratio of parts for which eco-friendly materials are used.

### Expanding Effort for Eco-friendly Product Development

Hyundai Mobis encourages suppliers eco-friendly activities by including a section on eco-friendly parts supply agreement within the parts supply contract. The agreement specifies strict compliance with Hyundai Mobis' internal guidelines and the internal and external environment-related laws and regulations. In particular, Hyundai Mobis bans the use of the four heavy metals (lead, mercury, cadmium, hexavalent chromium). It emphasizes suppliers' commitment to and joint effort for eco-friendly system establishment to ensure that the parts supplied are designed, produced, packaged, and transported in an environment-friendly manner.

### Increasing the Product Recycling Rate

Following the "Voluntary Agreement for Plastic Waste Recovery and Reuse" with the Ministry of Environment in 2012, Hyundai Mobis is minimizing the environmental impact of products by increasing the recycling rate of the materials used in five parts (bumper, moldings, undercover, washer tank, coolant tank) containing plastic. In 2021, we recovered 16,431 tons of plastic wastes generated at the domestic parts centers and recorded a recycling rate of 55.1%.

We are also operating the Multimedia Remanufacturing Center (MRC), a global multimedia service center under our direct management or as service agencies in North America, Europe, India, and Korea. MRC collects audio system and AVN products where problems occurred during use by customers and remanufactures them based on the standard of production factories and also tests the product quality to ensure that the remanufactured products meet the standards equivalent to those of new products. Following a series of production processes, the products are sent to distributors and dealerships in the respective regions.

### Product Life Cycle Assessment (LCA)

As a global automotive parts manufacturer, Hyundai Mobis is conducting the LCA (Life Cycle Assessment) it has introduced on products in order to respond preemptively to the battery regulations and Carbon Border Adjustment Mechanism of Europe, etc. LCA is conducted from the perspective of a product's entire life cycle from the mining of raw materials to production, use, and disposal. Hyundai Mobis selects pilots from products exported to global OEMs and applies the ISO 14040 and 14044 standards. In addition, using the CML<sup>1)</sup> technique, we assess the products in relation to environmental impact items such as global warming, ozone layer depletion, and acid rain. We quantify energy consumptions and greenhouse gas emissions in each stage of the product life cycle. Using the data, we plan to establish detailed strategies for carbon reduction.

#### Life Cycle Assessment



1) Centrum voor Milieuwetenschappen Leiden: An impact assessment technique limiting quantitative modeling developed by the Institute of Environmental Sciences of the University of Leiden

#### MRC Remanufacturing Performance

(Unit: Products)

Country	2019	2020	2021
US	15,491	14,572	15,005
Canada	2,935	2,570	2,859
Europe	2,958	3,176	3,013
Korea	4,009	5,145	3,816
India	1,793	1,534	2,314
Total	27,186	26,997	27,007

### Case Expanding Eco-friendly Packaging Materials

Hyundai Mobis is expanding the application of eco-friendly packaging materials in order to minimize waste generation and environmental impact as well in the process of product distribution.

#### Packaging Material for A/S Parts

Hyundai Mobis is changing the petroleum-based packaging materials (vinyl, etc.) to eco-friendly packaging materials in stages. For plastic packaging materials, we are increasing the ratio of packaging materials made using post-consumer recycled (PCR) plastics. We are also using raw and subsidiary materials that have been certified as GRS (Global Recycled Standard)<sup>1)</sup> and RCS (Recycled Claim Standard)<sup>2)</sup>, the standards for the content of recycled materials. In addition, we are increasing the introduction of paper packaging materials and promoting material transition to facilitate recycling by applying the eco-friendly non-alcohol printing technique. As of 2021, 43% eco-friendly paper packaging materials are used. Our goal is to increase the rate up to 70% by 2023.

#### CKD Packaging Material

CKD (Complete Knock Down) is a method of exporting individual parts for assembly into a final product at the destination. Hyundai Mobis is promoting phased transition from the existing CDK packaging materials, which were mainly made with corrugated cardboard and disposed of after single use, to returnable materials. Transition to multi-use packaging materials has been completed by approximately 70%; with this, we reduced packaging cost by KRW 5.1 billion and considerably lowered the amount of waste generation as well. We will increase the share of multi-use packaging materials up to 90%. In addition, we are applying recycled plastics to 50% of the multi-use packaging materials, and we plan to increase the rate to 100%. Moreover, we expect the transition from timber pallets to metal pallets to contribute to the preservation and increased recycling of forest resources.

We also minimized the production of new pallets through pallet standardization and reduced the distribution cost by KRW 450 million by improving the transportation efficiency based on the expansion of loading volume. We will make continued effort to minimize environmental impact in product transportation.

1) Global Recycled Standard:

Standard setting criteria for environmental, social, and chemical compliances in addition to the amount of reused materials in a finished product

2) Recycled Claim Standard:

Standard setting criteria for the amount of reused materials in a finished product



\* Returnable packaging

## Circular Economy

### Waste Management

#### Effort for Waste Reduction

Hyundai Mobis is managing waste generation by source in order to reduce the use of raw and subsidiary materials and minimize waste generation throughout the product life cycle.

First, we are increasing the use of recycled materials in plastic materials and making active use of recyclable raw materials at the stage of product disposal. Since 2020, we have been reducing the amount of designated waste generation by introducing lead substitutes in the process and contributing to resource circulation by separating and recycling metal scraps such as iron and aluminum from wastes and continuously recycling unusable pallets and waste parts generated at the distribution centers. As a result of the effort, we recorded a 67% recycling rate in 2021.

In addition, through an online legal waste treatment system (Albaro, the general waste management system of the Ministry of Environment), we report the entire process of waste handling from discharge to transport and treatment to the government. To ensure the legitimate transport and treatment of the discharged wastes, we inspect the companies consigned with the operation on a regular basis. We are fulfilling our duty as a waste discharger by conducting inspections once a year on new companies and once every three years on existing ones.

#### Promoting Zero Waste to Landfill

To achieve "Zero Waste to Landfill" for the wastes generated, Hyundai Mobis conducted a prior waste investigation on all business sites in 2021. Based on the result, we selected business sites subject to the system promotion and their target grades. In 2022, we aim to acquire the Zero Waste to Landfill certification as the first in the industry in the grade of Silver or higher. We are making efforts to acquire the certification as well for our overseas business sites by 2030.

66 **Zero Waste to Landfill in all domestic and overseas business sites by 2030** 99

#### Effort for Recycling Packaging Materials

Having joined the Korea Packaging Recycling Cooperative in December 2014, Hyundai Mobis is fulfilling its duty of recycling for synthetic resin packaging materials (bubble wrap, vinyl, PE fillers) and lubricants according to the Extended Producer Responsibility system. As a member of the Korea Packaging Recycling Cooperative, we pay our contributions and submit the recycling performance plan and shipping/import records of products and packaging materials on a quarterly basis. This is followed by the submission of the recycling performance report and, if we achieved the recycling ratio designated by the Ministry of Environment, our recycling charge is waived. As such, we are performing activities to reduce environmental impact in the manufacturing and import processes and monitor the entire waste handling process by going beyond fulfilling our duty of recycling from the consumers' perspective.

### Management of Chemicals

#### Chemical Management Framework

Hyundai Mobis is promoting the company-wide chemical management system upgrade in order to lower the risks associated with the strengthened domestic and international regulations on chemicals (Act on the Registration and Evaluation of Chemical Substances, Chemical Substances Control Act, EU REACH), and actively manage the chemicals used. For all chemicals handled at manufacturing sites and R&D centers, we are strengthening legal regulations and history management by establishing an inventory. In addition, to set up a system covering the entire process from chemical purchase to disposal, we are planning to introduce the Chemicals Management System (tentatively named E-CMS).

#### Management of Hazardous Chemicals in Products

By establishing company-wide hazardous substance management process and standards, Hyundai Mobis is securing management continuity while preemptively responding to the regulatory and administrative measures in each country. Through period inspection and management under the MCMS (Mobis Chemicals Management System), we are blocking the use of hazardous substances in

our products and systematically managing information of the substances in use. In particular, we have established the substance information management criteria to meet customers' requirements from the stage of R&D, and we are analyzing and reviewing the hazard of products according to the criteria. We are also striving to minimize the use of hazardous chemicals by discovering substitutes.

In addition, we are collecting information about the status of registration of automotive parts as hazardous substances by periodically monitoring the International Material Data System; if important changes occur, we prepare handling actions swiftly.

In 2021, we secured internal analysis capacity by installing a lab dedicated to the analysis of hazardous substances. Beginning 2022, we will conduct over 10,000 pre-analyses on products yearly and expand support for analysis tasks targeting suppliers. We are also planning to build an integrated DB by combining material data and legal information through the MCMS upgrade and establish an integrated Group-level hazardous substance regulation protection system by 2026.

#### Hazardous Chemicals under Intensive Control

- **Banning the use of the four heavy metals (lead, mercury, hexavalent chromium, cadmium) and two types of flame retardant (PBB, PBDE)**
- **Preemptively applying substitutes for the four phthalates (DBP, DEHP, DIBP, BBP)**

While strictly controlling the use of four heavy metals (lead, mercury, hexavalent chromium, cadmium) and two types of flame retardant (PBB, PBDE) included in the parts and raw materials, Hyundai Mobis continuously investigates the use of the four phthalates (DBP, DEHP, DIBP, BBP) and hazardous chemicals scheduled for regulation and recommends the preemptive application of the substitutes. In addition, we are promoting the prevention of use of hazardous substances by entering into an agreement for eco-friendly parts supply specifying compliance with the restriction of heavy metal use with our suppliers. This is an activity aimed at complying with the "Global Standard for Four Heavy Metals," an autonomous program of the Hyundai Motor Group to meet the scrap car-related laws and regulations of Korea and EU.

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# Water Resource Management

## Managing Water Resources in Business Sites

### Water Use and Management of Water Pollutants

Most of Hyundai Mobis' factories are parts assembly plants, so they consume a smaller amount of water than those of other companies. We are also managing the status of water use and treatment in Korea and overseas through the safety and environmental management system. We detect abnormal water use by checking water consumption in each business site by time period and take actions immediately while striving to reduce the amount of water consumption. In particular, the wastewater generated from the parts cleaning process and general sewage is discharged through the sewage and wastewater treatment facilities in each business site. Other sewage generated in business sites is discharged to the sewage treatment plants for appropriate treatment. For some business sites where wastewater is discharged directly, we are continuously monitoring them by establishing strengthened internal criteria to set the concentration level at 80% of the legally permitted level.

In 2021, the amounts of total water withdrawal and consumption slightly increased compared to the previous year due to the operation of the new Ulsan Factory and Daegu Factory. However, consumption intensity improved as a result of sales increase.

### Water Stress Analysis

To understand potential water stress in business sites, Hyundai Mobis is analyzing mid- to long-term water risks and monitoring the status of water withdrawal and consumption at major manufacturing sites by using the Water Risk Atlas tool of the World Resources Institute (WRI). In the business sites of China and India, where the level of water stress is relatively higher, the level of flood and water quality deterioration risks continues to be high. We are reviewing various response strategies for these business sites; at the same time, we will continue increasing our efforts to minimize water stress.

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**Key Performance**



**Upgraded supplier ESG  
assessment indicators**



**Expanded health and  
safety governance**



**Established gender  
diversity goals**

**Executive Message**



[Head of Procurement  
Division]  
Vice President  
Ki Hyung Sung

**“Hyundai Mobis’ ESG management is possible only through participation by all stakeholders in the supply chain.”**

Sustainable future can no longer be achieved with Hyundai Mobis’ effort alone. ESG risks in the supply chain are the risks that directly concern Hyundai Mobis, and it is our duty to improve the overall standard of the supply chain by helping suppliers develop ESG competencies. We will apply strict ESG requirements in all stages of the supply chain and create the best global supply chain by supporting and managing our suppliers in fulfilling their social and environmental responsibilities.



[Head of Safety and  
Health Division]  
Executive director  
Jin Hwan Kim

**“We will create a safe and healthy working environment for all.”**

Hyundai Mobis focuses on safety management by establishing a management policy of placing the highest priority on safety and health in all business activities. Through the prevention of hazard factors, systematic safety management, and active investment in safety and health, we will protect the health and safety of our employees and suppliers in all global business sites. We would like to ask for your active participation in our efforts to establish an organizational culture to observe the basics and comply with principles based on safety awareness internalization.

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## Sustainable Supply Chain

### Supply Chain Management Framework

#### Supply Chain Management Policy

As a partner for shared growth, Hyundai Mobis implements the supply chain management policy in order to enhance competitiveness and reduce the ESG risks of suppliers.

When selecting suppliers, we assess them fairly based on their quality and delivery capacities, technological power, and development competencies. For the selected suppliers, risk management is carried out through regular assessment. We are also striving to improve suppliers' quality competitiveness and ESG competency by continuously providing customized management service.

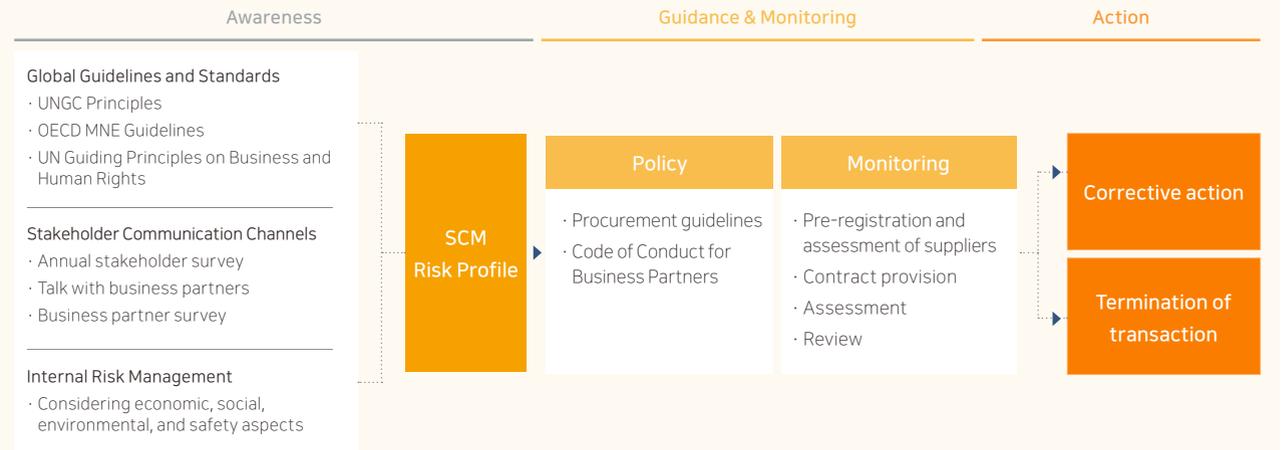
Hyundai Mobis' Code of Conduct for Suppliers consist of six areas (human rights-labor, safety-health, environment, ethics, responsible sourcing, management system). For domestic suppliers, we collect a pledge from the CEOs of the suppliers to comply with the Code of Conduct, or specify compliance with the Code of Conduct in the parts supply agreement. For overseas suppliers, we also specify compliance with the Code of Conduct in the basic purchase agreement. In addition, we conduct ESG assessment targeting tier-1 suppliers and core tier-2 suppliers annually and encourage them to take corrective actions when risk factors are detected. At the same time, we provide regular training to raise awareness among the employees of the Procurement Division as to the importance of ESG management across the supply chain and share supply chain ESG management status and assessment results.

### ESG Management Areas in the Code of Conduct for Business Partners

Code of Conduct for Business Partners



### Supply Chain Management Process



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Supply Chain Status

Among 1,410 domestic parts suppliers in a business relationship with Hyundai Mobis as of the end of December 2021, Hyundai Mobis is executing mass production, trade, and development operations with 588 tier-1 suppliers. In 2020, we added new suppliers or took disciplinary measures on 593 suppliers through an operating structure deliberation meeting; as a result, 588 tier-1 suppliers were selected. Among them, 60 were selected with consideration given to the status of transaction of items for key business groups, business relevance, purchase scale, etc. and were defined as "core tier-1 suppliers."

In addition, 44 tier-2 suppliers equipped with key technological power are managed as "core tier-2 suppliers." For tier-2 and higher suppliers, we apply the MSQ (Mobis Supplier Quality) and SQ (Supplier Quality) certification systems to ensure that they have quality management systems in the level we require.

The quality, safety, and environment-related ISO certification information of all suppliers is managed through the supplier information management system.

Supply Chain Communication

Every year, Hyundai Mobis visits suppliers to listen to the voice in the field and operates various communication channels in order to understand and meet suppliers' needs. We will do our best to create greater synergy by achieving growth with our suppliers based on continuous exchange and support.

Core Suppliers (as of Dec. 31, 2021)

Classification	Classification Criteria	No. of Suppliers (companies)	Purchase Ratio (%)
Core Suppliers	Tier 1 Supplier for core business operating structure	60	30% <sup>1)</sup>
	Tier 2 Supplier for core tier-1 supplier based on individual agreement	44	-

1) Ratio of procurement(100%) from tier-1 core business operating structure (as of end Dec. 2021)

Purchase Amount by Item in 2021

Mass production	After-sales service	Others	Supplies/Packaging	Overseas corporations
KRW 18,927.2 billion	KRW 2,928 billion	KRW 717.3 billion	KRW 250.4 billion	KRW 13,984.1 billion

Supply Chain Purchase Status

Classification	Unit	Performance in 2021	Remarks	
Domestic	Parts Suppliers	Companies	1,410	Tier-1 parts suppliers of headquarters (mass production, after-sales service, supplies/packaging)
	Parts Purchases	KRW 100 million	221,056	Tier-1 parts suppliers of headquarters (mass production, after-sales service, supplies/packaging)
	Other Suppliers	Companies	1,962	General, facility, raw and subsidiary material suppliers of headquarters
	Other Purchases	KRW 100 million	7,173	General, facility, raw and subsidiary material suppliers of headquarters
Overseas	Local Suppliers of Business Site	Companies	598	Suppliers of overseas corporations (direct development)
	Local Purchases of Business Site	KRW 100 million	139,841	Purchases by overseas corporations

Key Communication Channels

Program	Description	Performance in 2021
General Meeting of Suppliers and Executive Meeting	· Policy briefing and seminar to inspect performances in 2020 and share plans for 2021 · Inspecting performances, sharing progress, and searching for ways to achieve development	Held as online web seminar
Talk with CEOs of Tier-2 Suppliers	· Talk with the CEOs to assist in understanding of various supplier support programs, resolve grievances arising between tier-1 and tier-2 suppliers	Not held due to pandemic
Committee Operation by Business Type	· Holding annual committee meetings by detailed business type to share automotive industry, technology, and shared growth trends	Held as online videoconference in the first/second half
Rewarding Excellent Suppliers for Shared Growth	· Selecting and awarding outstanding suppliers annually in recognition of their efforts	Reward at the general meeting
Online Anonymous Grievance Report Center for Suppliers	· Operating an anonymous reporting channel through which suppliers and their employees can freely suggest policy improvement ideas and express difficulties	In operation
Fair Trade Counseling/Report Channel	· Operating a full-time channel for inquiries and reports on fair trade and subcontracting between Hyundai Mobis and suppliers	In operation

## Supplier Assessment

### Assessment and Selection

Hyundai Mobis operates a fair and reasonable supplier selection process by applying the GCMS (Global Contract Management System). For new supplier selection, we inspect risks in advance by conducting quality management system assessment, safety environment assessment, and financial risk assessment. During this process, suppliers sign the pledge of compliance with the Code of Conduct, which requests the suppliers' understanding of and compliance with Hyundai Mobis' supply chain ESG policy. Meanwhile, a newly registered supplier wishing to win a contract and supply an item must meet the eligibility criteria by scoring 70 out of 100 points at the supplier ESG assessment.

As for the existing suppliers, a general assessment is conducted on items necessary for sustainability competitiveness, such as quality, delivery competency, and technological power, in addition to the quality management system assessment (MQRS, Mobis Quality Rating System). In addition, their MQRS and the comprehensive evaluation (MSEM, Mobis Supplier Evaluation and Management System) ratings are renewed every three years and one year, respectively. Existing suppliers must also undergo the ESG assessment (including self-assessment and on-site assessment) once a year. When a risk occurs, transaction with the respective supplier is determined through the sanctions council meeting. The general assessment score is reflected in the supplier selection and, depending on the rating, incentives or penalties are given. Suppliers with high ratings are provided with rewards, and those with low ratings can be excluded from new projects.

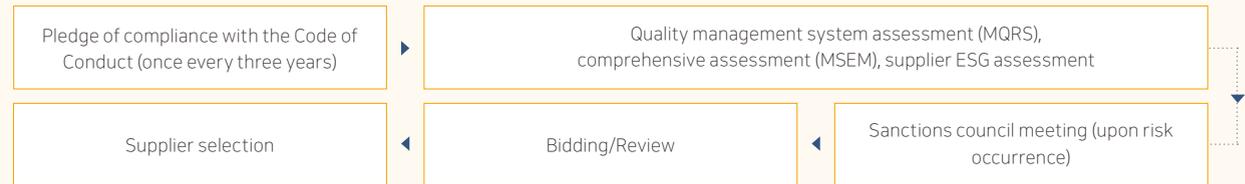
Hyundai Mobis also requires tier-1 suppliers to inspect the status of compliance with the Code of Conduct for Business Partners by tier-2 and tier-3 suppliers and improve on violations or risks throughout the process of contract and business operations with tier-2 and tier-3 suppliers. Based on such effort, the rate of ESG assessment across the supply chain is gradually increasing, and suppliers' general assessment scores are improving year on year through continuous quality improvement and new technology development.

### Supply Chain Assessment and Supplier Selection System

#### New supplier



#### Existing supplier



### Supplier Assessment Items

#### Key Management Areas

<b>Quality</b> Quality management system Receiving defect rate	<b>Delivery</b> Out-of-stock Policy compliance
<b>Technological power</b> Basic/Future competencies Execution ability	<b>Shared growth</b> Payment conditions

#### ESG Areas

<b>Safety/Environment</b> Risk management On-site safety management Prohibition of hazardous substances Environmental management	<b>Ethics</b> Collaboration for shared growth Transparent management support
--	--

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Risk Assessment

The Suppliers ESG assessment is conducted targeting all new suppliers as well as the existing tier-1 suppliers and core tier-2 suppliers of the headquarters. In 2021, 23 suppliers were categorized as suppliers with high risk according to the assessment indicator upgrade and segmentation, and we took corrective actions by visiting and inspecting all of these suppliers. We will gradually expand the scope of suppliers for ESG risk management to include not only suppliers of the headquarters but also those of corporations in the EU region and Americas by 2023 and 2024, respectively.

**Risk Assessment Process**

- 

**Self-assessment by supplier**  
Conducted as written assessment
- 

**Target selection for on-site assessment**  
Conduct on-site assessment upon detection of risk in relation to the following:

  - Supplier with high risk: self-assessment result below 70 points
  - Supplier with critical nonconformity: (risk in "forced and compulsory labor" and "child labor" detected through self-assessment)
  - Supplier whose self-assessment result is high (90 points or higher) but lacks reliability due to omission of detailed supporting data
- 

**On-site assessment**  
On-site assessment conducted in 2020 and 2021 by the person in charge at the Win-win Collaboration Team (From 2022, third-party assessment on some SMEs to be conducted by an external agency)
- 

**Corrective action**  
Implement short-term task (within three months) and long-term task (within six months - one year) following the submission of corrective action plan within two weeks (Exceptions applicable to time limit for corrective action through individual consultation with suppliers depending on the details of corrective action and circumstances)
- 

**Checking the result of corrective action**  
Conduct a on-site assessment again the following year if the result of corrective action is not submitted

Status of Suppliers ESG Assessment in 2021 (On-site Assessment Period: Sep. 30 - Dec. 22, 2021)

Type	Tier-1 suppliers		Tier-2 suppliers	
	Number of suppliers	Ratio (%)	Number of suppliers	Ratio (%)
Self-assessment	347	92.5%	35	100%
Supplier with high risk	16	4.6%	7	20%
On-site assessment	16	100%	7	100%

Assessment Result



Plan Reception



Key KPIs and Goal for Supplier ESG Risk Assessment

Key KPIs	Performance in 2020	Performance in 2021	Plan for 2022	2025 Goal
Rate of on-site assessment completion on suppliers found to have high risk as a result of self-assessment	100%	100%	100%	100%
Rate of reception of corrective action plan in relation to areas requiring improvement derived through on-site assessment	100%	100%	80%	90%
Rate of disciplinary review completion among suppliers with issues announced through the press due to the occurring noncompliance with the Code of Conduct	100% (No risk)	100% (No risk)	100%	100%

Corrective Actions Taken

Information security system for technical data not operated (to prevent unauthorized data release)

Display of MSDS<sup>1)</sup> insufficient

Omission of persons subject to compulsory training (sexual harassment prevention) (CEO, executives)

Overtime work management status insufficient

Improvement measures according to risk assessment result not taken

1) MSDS : Material Safety Data Sheet

- Set interlock for internal service access privilege (all documents stored and managed in the server, server access through Intranet and password set)
- Strengthened training to use company groupware when sending data internally/externally (sending by personal email prohibited)
- Introduced security solution to prevent information leak (benchmarked industry practice and consulted security company)
- Displayed MSDS in areas where chemical substances subject to management are stored
- Provided sexual harassment prevention training to all employees including CEO and executives, displayed training materials within the company at all times
- For overtime work hours and pay, applied process to have monthly work hours checked by individual workers and obtain signatures of the workers for consent to the overtime work log
- Established corrective action plan for items whose risk estimation result is 5 points or higher (e.g., Risk of accident due to overloading) and reflected the result to the next risk assessment

## Supplier Support

### Supporting ESG Competency Building

#### ESG Training for Suppliers

To strengthen suppliers' ESG competencies, Hyundai Mobis provides training on the importance of sustainable management and ESG best practices including guidelines for compliance with the Code of Conduct for Business Partners by clause, Hyundai Mobis' Supplier Chain ESG management system, and assessment and improvement guidelines for each ESG indicator by holding general meetings of suppliers (Partners' Day) and committee talks according to business types and through the portal system of the Procurement Divisions.

#### Supplier Assessment/Selection System

Training Program	Description	Performance in 2021
ESG Management Training	Overview of ESG in the supply chain, guidelines for compliance with the Code of Conduct for Business Partners by clause, guidelines for inspection and improvement for each ESG indicator, etc.	410 companies
ESG Training at the General Meeting of Suppliers	Hyundai Mobis' supply chain ESG management system (Code of Conduct for Business Partners, shared growth program, ESG risk inspection), supply chain GHG management plan, conflict minerals management, etc.	191 companies

### Safety and Health Support for Suppliers

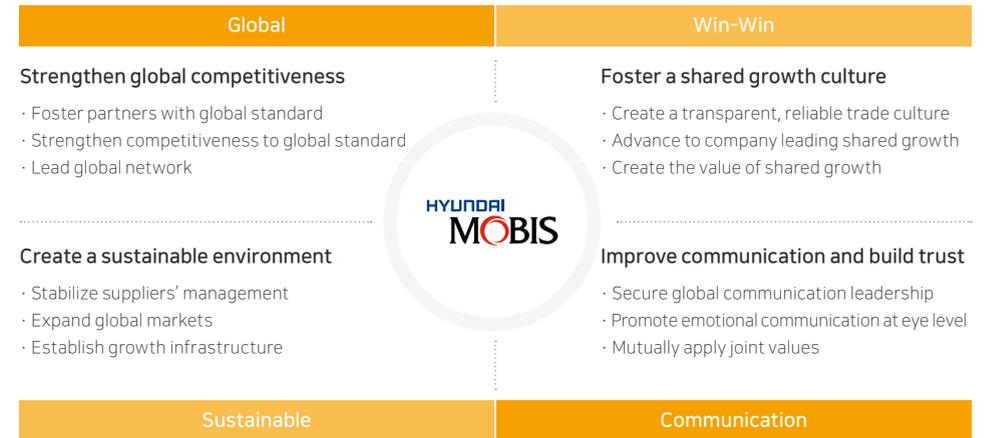
Hyundai Mobis is making various efforts and providing support to guarantee a safe and pleasant working environment for suppliers and create a virtuous cycle of efficient production and supply based on the environment. In 2021, we continuously performed improvement support activities, such as conducting free safety inspection on 45 SMEs, sharing the results, and providing safety guidance.

#### Safety and Health Support for Suppliers

Program	Safety inspection on suppliers	Performance in 2021
Safety inspection on suppliers	Free safety inspection on SMEs suppliers and management for continuous improvement in order to help suppliers comply with related statutes and prevent accidents	Inspection on 45 companies (Period: Aug. 17 - Sep. 30, seven weeks)
Establishment of safety training system for suppliers	Held seminars on the "establishment of safety management system to prevent serious accidents in suppliers" and "briefing on supplier safety inspection result in 2021 and sharing of key risk factors"	175 companies in the first half, 171 companies in the second half (half-yearly seminar)
Face mask support for suppliers	Provide face masks to SMEs	30,000 masks provided (to 56 companies)

### Supporting Shared Growth

Hyundai Mobis pursues shared growth with suppliers under the four strategies of "strengthening global competitiveness, creating a shared growth culture, establishing a sustainable environment, and promoting communication and trust building." To this end, we declared the "Seven Beautiful Promises" and established a detailed policy to support our tier-2 and tier-3 suppliers as well. Our shared growth activities are performed on the basis of fair trade through the operation of various win-win cooperation support systems. In 2021, we were named "Best" company in Shared Growth Index Assessment 2020 for three years in a row in recognition of our effort



#### The Seven Beautiful Promises

- Funding support**
  - Making payment in cash
  - Making lump sum payment for mold cost
  - Supporting low-interest rate loan
  - Win-win cooperation fund
- R&D cooperation**
  - Transferring patents for free
  - Supporting test equipment
  - Promoting joint technological development
  - Implementing the technology escrow system
- Support to tier-2 and tier-3 suppliers**
  - Fair trade agreement
  - Funding support to tier-2 suppliers
  - Improving cash payment
- Training support**
  - On-site guidance
  - Quality/Technical training
  - Management consulting
- Strengthening communication**
  - Operating a cooperative council
  - Operating seminars
  - Resolving supplier grievance
  - Rewarding suppliers
- Fair trade and ethical management**
  - Operating subcontracting regulations
  - Operating ethics regulations
  - Operating compliance regulations
  - Reporting channel
- Other support**
  - Supporting overseas market development
  - Performance sharing system
  - Win-win payment products
  - Supporting the recruitment of human resources
  - Joint social contribution

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Circular Economy

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Sustainable Supply Chain  
Product Stewardship  
Protection of Basic Rights  
Employee Value Expansion  
Safety and Health  
Social Contribution and  
Community Engagement  
Information Security

Governance

Shareholder Value Creation  
Competitive Board  
Audit Body  
Risk Management  
Compliance Management

Key Learnings in 2021

Appendix

Providing Funding Support to and Improving the Payment  
Conditions for Suppliers

Hyundai Mobis is helping suppliers resolve financial difficulties and secure fund liquidity by operating a funding support system and improving the payment conditions for various suppliers. In particular, considering the initial cost burden of SMEs suppliers in mold development, which requires massive investment, we make a lump sum payment for the mold manufacturing cost prior to mass production to ensure that the suppliers do not experience any difficulty in their cash flow. We are also expanding the areas of shared growth activities to strengthen suppliers' competencies by helping suppliers improve quality and sharing with them our process improvement expertise.

R&D Cooperation to Strengthen Suppliers' Self-sufficiency

To help in the R&D competency building of suppliers, Hyundai Mobis is supporting their technological development and sharing patents with them. In addition, to assist in parts development, we help suppliers reduce the test and analysis cost by opening our certified test center and providing support for the cost of test equipment purchase, test fees, test equipment calibration cost, and certification acquisition cost. Our guest engineering system helps suppliers access free research space and facilities. Moreover, by promoting joint technological development and patent application with suppliers, we are contributing to mutual technological power improvement.

Operating Support Programs for Tier-2 and Tier-3 Suppliers

To the tier-1 suppliers that have entered into a fair trade agreement, Hyundai Mobis provides subcontracting training, fair trade consulting, and tier-2 supplier support programs. We are continuously improving payment conditions for tier-2 suppliers by improving the ratio of cash payment by tier-1 suppliers. As tier-1 suppliers are encouraged to expand win-win management targeting tier-2 suppliers, a virtuous cycle of linked win-win growth promotion is achieved. In addition, through funding support to tier-2 suppliers and by operating training facilities dedicated to suppliers, we are expanding the sustainable supply chain infrastructure.

Program	Description	Performance in 2021
Operating a funding support system	<ul style="list-style-type: none"> <li>Making a lump sum payment for the mold cost to SMEs, operating various financial support systems such as loan service using the Collaboration for Shared Growth Fund, Shared Growth Fund, and Future Growth Fund</li> <li>Raising the Shared Growth Fund and supporting the guarantee program to help tier-1 and tier-2 suppliers access fund for facility investment and operation at a lower interest rate than that offered by banks</li> </ul>	Mold Cost: KRW 86.9 billion in fund/loan - Deposit: KRW 161.5 billion - Fund Raising: KRW 271.5 billion - Support: KRW 235.5 billion
Improving the payment conditions	<ul style="list-style-type: none"> <li>Providing support to tier-2 and tier-3 suppliers by expanding the cash payment target and operating the shared growth payment system</li> <li>Making full payment in cash to SMEs suppliers with sales under KRW 500 billion since 2016</li> </ul>	100% payment
Operating a shared growth payment system	<ul style="list-style-type: none"> <li>Operating a payment system for tier-2 and tier-3 suppliers to turn payments to cash swiftly through discount using Hyundai Mobis' credit to prevent the risk of bankruptcy</li> </ul>	Hyundai Mobis > Tier-1 Suppliers: KRW 5,527.5 billion Tier-1 Suppliers > Tier-2 Suppliers: KRW 154.7 billion

Program	Description	Performance in 2021
Free disclosure and transfer of intellectual property rights	<ul style="list-style-type: none"> <li>Opening the latest patents of Hyundai Mobis</li> <li>Transferring patents to suppliers for free</li> </ul>	Patent Opening: 299 patents Patent Transfer: 12 patents
New product/technology development support	<ul style="list-style-type: none"> <li>Supporting the R&amp;D cost to enable suppliers' independent technology development</li> <li>Supporting localization development to ease the dependence on imported parts and build technological competency</li> </ul>	New Product/Technology Development Support: KRW 92.25 billion/452 cases
Test equipment support	<ul style="list-style-type: none"> <li>Supporting technological competency development by opening the test center and anechoic chamber of the R&amp;D center in Shanghai, China</li> <li>Supporting suppliers' test equipment calibration and purchase cost, test fees, and certification cost</li> </ul>	Support for Test Fees: KRW 272 million/2,438 cases Support for Test and Analysis: KRW 239 million/238 cases
Guest engineering	<ul style="list-style-type: none"> <li>Providing space and facilities for free to promote joint parts design and R&amp;D with suppliers</li> </ul>	Free Space and Facility Rental: KRW 145 million/334 cases
Joint patent application	<ul style="list-style-type: none"> <li>Assisting suppliers in jointly developing technologies and applying for patents with Hyundai Mobis</li> </ul>	Joint Patents: 160 patents
Support for patent application cost	<ul style="list-style-type: none"> <li>Supporting suppliers' cost for joint patent application with Hyundai Mobis</li> <li>Supporting suppliers' cost for patent application and registration through independent R&amp;D</li> </ul>	Support: KRW 70 million/13 cases

Program	Description	Performance in 2021
Fair trade agreement	<ul style="list-style-type: none"> <li>Spreading fair trade and shared growth activities and culture by encouraging tier-1 and 2 suppliers and tier-2 and 3 suppliers to enter into a fair trade agreement</li> </ul>	Tier-2 Suppliers Entering into an Agreement with Tier-1 Suppliers: 307 companies Tier-3 Suppliers Entering into an Agreement with Tier-2 Suppliers: 142 companies
Encouraging cash payment	<ul style="list-style-type: none"> <li>Providing incentives to tier-1 suppliers according to the ratio of cash payment to tier-2 suppliers by operating the system of awarding additional points for shared growth promotion in order to stabilize the cash flow of tier-2 suppliers and encouraging tier-1 suppliers to improve the payment conditions, such as increasing the cash payment ratio and reducing the payment period</li> </ul>	Cash Payment Rate of Tier-1 Suppliers: 61.4% Payment Due: Dec. 23
Funding support for tier-2 suppliers	<ul style="list-style-type: none"> <li>Raising the fifth Shared Growth Fund for funding support to tier-2 suppliers, depositing KRW 3 billion for use by suppliers at a lower interest rate than that offered by banks</li> </ul>	Shared Growth Fund (5th) - Deposit: KRW 3 billion - Fund Raising: KRW 3 billion - Support: KRW 340 million
Training support for suppliers	<ul style="list-style-type: none"> <li>Providing training support to build the competency of suppliers' employees by opening the Win-win Collaboration Center, a training center for suppliers, in Gyeongju ※ Operating cost partially paid by affiliates in addition to Hyundai Mobis</li> </ul>	Training: 11,242 persons

### Supporting Productivity Improvement

Every year, Hyundai Mobis shares the latest technological information, quality improvement plans, and legal and regulatory trends with suppliers and provides the related training to the employees of suppliers while supporting smart factory establishment to improve suppliers' productivity. By providing training necessary for quality and technological improvement by position, we help the employees of suppliers build competency. Ultimately, our suppliers achieve quality improvement.

Program	Description	Performance in 2021
Support for smart factory establishment	Supporting the productivity improvement of tier-1 and tier-2 suppliers such as production automation through the establishment of ERP system and test equipment for initial-interim-final products <sup>1)</sup>	Contributions: KRW 1 billion Support: 37 companies
Technical guidance by the Quality Service Team	Providing consulting service on quality improvement through a resident team	Guidance Provided to: 55 companies
Management consulting by the Supplier Support Team	Providing consulting service to improve competency in all areas of business administration, such as strategy development, finance, marketing, and organization management	Guidance Provided to: 109 companies
Operating Technology/Quality School, etc.	Providing technical and quality training to tier-1 and tier-2 suppliers	Trainees: 3,061 persons

1) initial inspection, middle inspection, final inspection

### Other Support Including Performance Sharing

For the fair distribution of the performances produced through joint development, joint cost reduction, and productivity improvement with suppliers, Hyundai Mobis operates the performance sharing agreement system to ensure successful proposal and development activities. In addition, to support the recruitment of competent human resources by the suppliers and consequently help them resolve personnel shortage, we hold the annual job fair together with the Hyundai Motor Group. Since 2019, we, together with the Industrial Bank of Korea, have been operating the online employment center for suppliers on the iONE-JOB website to help our SMEs suppliers resolve personnel shortage and provide job seekers with employment opportunities.

Program	Description	Performance in 2021
Operating a performance sharing system	Operating a performance sharing agreement system to distribute the performances produced through joint development, joint cost reduction, and productivity improvement with suppliers	New Registrations: 46 Registrations Confirmed: 60
Supporting the recruitment of human resources	Operating an online employment center for suppliers on iONE-JOB and holding a job fair for suppliers with the Hyundai Motor Group to help suppliers recruit competent human resources	Recruited Personnel: 190 persons

### Effects of Win-win Management Programs



#### Supporting overseas market entry

- Supporting the participation of SMEs suppliers in overseas automotive parts exhibitions to promote their overseas market entry, supporting the entire process from supplier matching with overseas buyers to consulting for free
- ※ In 2021, online business meeting was held due to COVID-19.

**Non-disclosure agreement (NDA) with and request for quote (RFQ) from overseas buyers**

KRW 12.04 billion



#### Improving productivity

- Supporting the productivity improvement of SMEs suppliers without sufficient capacities in basic technologies by providing them with professional technical guidance according to job type through the resident team
- Assisting in the productivity improvement of SMEs suppliers by supporting smart factory establishment

**Cost reduction effect**  
KRW 24.22 billion

**Productivity improvement**  
KRW 9.21 billion



#### Reducing cost

- Supporting the cost reduction of suppliers that entered the Chinese market together with Hyundai Mobis for the test and analysis of manufactured parts
- Supporting suppliers' cost reduction by providing information on sales and inventory of after-sales parts and distributing the amount of inventory management cost saved to suppliers
- Assisting in suppliers' cost reduction by supporting the cost of test equipment purchase, equipment calibration cost, test fees, etc.

**Cost reduction effect**  
KRW 0.27 billion

**Cost reduction effect**  
KRW 0.479 billion

**Cost reduction effect**  
KRW 0.17 billion

## Conflict Minerals Management

### Conflict Minerals Management Framework

Hyundai Mobis prohibits the use of conflict minerals (tin, tantalum, tungsten, and gold (hereinafter “3TG”)) unethically mined from conflict-affected, high-risk areas including the Democratic Republic of Congo. To this end, we established a management process based on the OECD Due Diligence Guidance and specified the responsible minerals sourcing policy within the Code of Conduct for Business Partners, as well as inspecting for risk factors by checking the list of refineries of suppliers and their RMAP<sup>1)</sup> certification status annually targeting the global OE supply items. In addition, when a transaction with a refinery that has not acquired RMAP certification is identified within the subject supply chain, we request improvement and monitor the improvement status. As such, we are continuously striving to ensure that our suppliers work with RMAP-certified refineries.

In line with the transition from internal combustion engine vehicles to eco-friendly vehicles (electric and fuel cell vehicles, etc.) in the automotive market, we are expanding the scope of investigation centering on eco-friendly vehicle models. We are also making effort for active response by investigating the use of cobalt in addition to 3TG.

We are considering to establish a mid- to long-term plan for achieving the goal of 100% RMAP certification and build the management process and system according to the plan. In addition, we will meet stakeholders’ various requirements by posting the conflict minerals management (responsible sourcing) report on the website during the second half of this year.

Together with suppliers, we will establish a solid, sustainable supply chain to prevent the use of conflict minerals across our supply chain.

1) RMAP: Responsible Minerals Assurance Process

### Conflict Minerals Management Framework



#### Establish a management system

- Establish a cooperative system for trade, compliance, and procurement
- Provide training to persons in charge of sourcing

#### Identify and assess risks in the supply chain

- Select investigation targets
- Request CMRT data (written due diligence)
- Select suppliers at risk of conflict minerals use

#### Develop risk response strategies

- Request improvement of refineries that are not RMAP- certified
- Monitor the improvement status
- Provide suppliers training

#### Report the implementation status

- Sustainability report (separate report to be posted)

## Product Stewardship

### Product Quality and Safety

#### Quality and Safety Management Framework

Based on innovative product development and stable production, Hyundai Mobis strictly manages product quality in order to realize the value of "customer safety." We are operating the new car quality management, mass production quality management, and market quality management processes under QMS2.0 (Quality Management System 2.0) as our internal quality management system. We manage the quality defect occurrence status in domestic and overseas business sites and for production items according to the quality indicators by period. We also encourage quality system establishment by suppliers by managing the quality indicators for individual suppliers and sharing the management status with them.

Meanwhile, for substantial quality management based on production sites, we transferred each quality team to business divisions in 2020 to unify the process of securing quality from parts development to final mass production. The quality assurance activity after product sales is comprehensively managed by the quality division. Moreover, since 2021, we have been strengthening preventive quality activities from the stage of advanced quality management by establishing the Advanced Quality Management Office and performing product quality verification activities based on reliability.

We secure the quality of new cars through advanced verification of new technologies and new products in relation to autonomous driving, connectivity, and eco-friendliness as the future automotive industrial trend. In addition, by conducting quality verification from the customers' viewpoint, we strengthen stability in the overall quality management process.

#### Hyundai Mobis' Quality Policy

We establish a **quality assurance system**, effectively apply it across all business areas, and consequently maintain the highest competitiveness. We realize **"customer delight" based on reliable quality beyond attractive quality** by forming consensus with one another and through individual immersion.

#### Quality Management Process

##### Quality Assurance

###### Effect

Minimize customer complaints by swiftly handling user (end user) complaints and product failure after vehicle sales

###### Key Activities

- Monitor market quality and manage information
- Provide training on the directions for using products and encourage correct maintenance, etc.
- Receive reports of customer complaints and analyze and take actions on them
- Compensate for and pay off the market claim cost
- Manage and guarantee the after-sales parts quality

##### Mass Production Quality Management

###### Effect

Supply 100% quality products to customers by checking the quality of parts and products in the manufacturing process

###### Key Activities

- Manage inspection criteria and change points
- Conduct receiving/process/completion inspections and tests
- Verify product and process quality
- Improve on and provide feedback for quality issues

Big data analysis for failure information and customer use patterns, etc.

Reflection to product design

Development and application of quality defect detection algorithm using quality big data and AI technologies

→ PCB<sup>1)</sup> soldering defect detection  
→ Improvement of joint and noise level of electronic control devices for the electric power steering system

1) Printed Circuit Board:  
A circuit board created by densely mounting numerous parts on flat phenol resin or epoxy resin panel and laminating circuits connecting the parts on to the resin panel

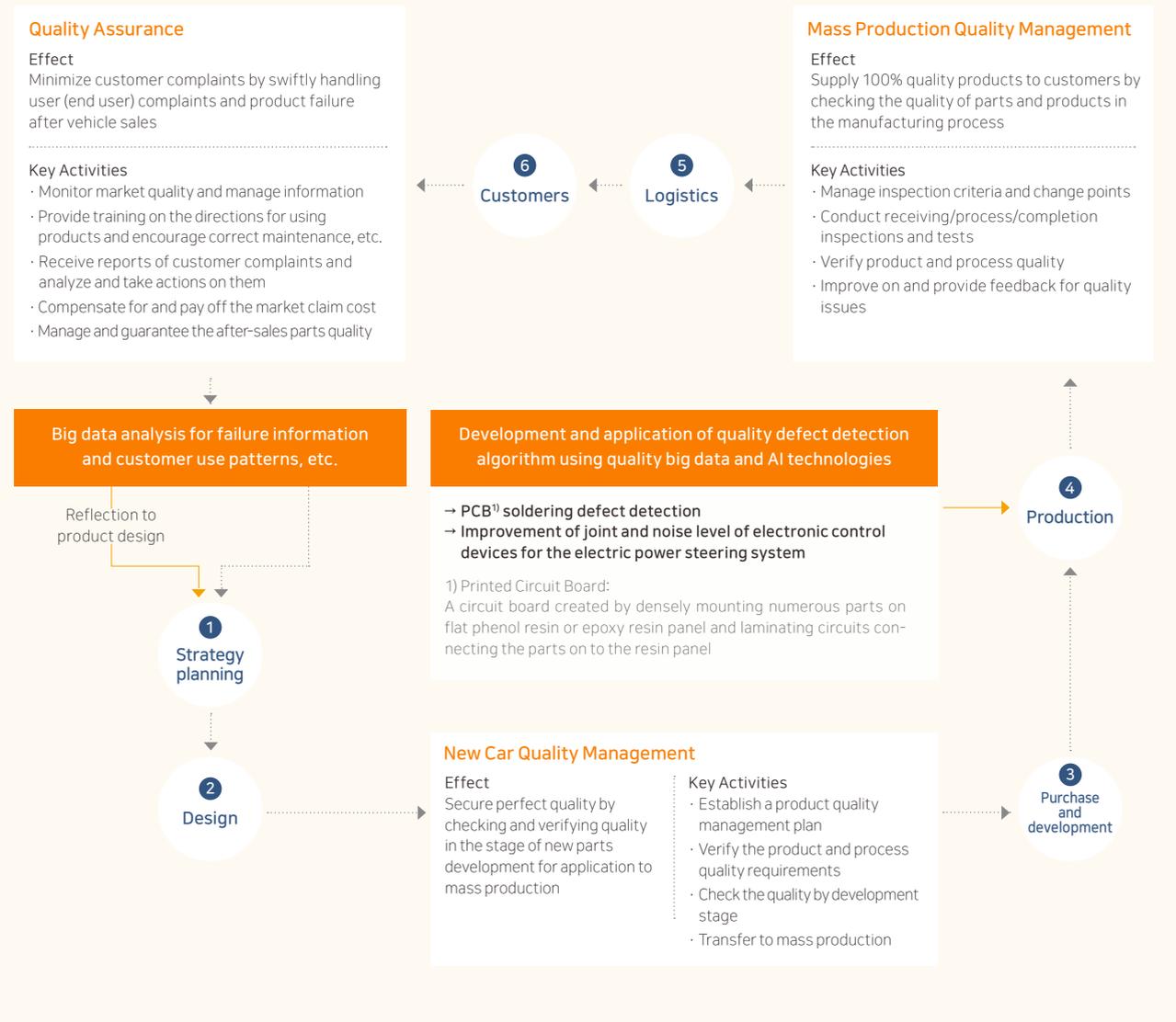
##### New Car Quality Management

###### Effect

Secure perfect quality by checking and verifying quality in the stage of new parts development for application to mass production

###### Key Activities

- Establish a product quality management plan
- Verify the product and process quality requirements
- Check the quality by development stage
- Transfer to mass production



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Appendix

Quality Management System Certification

Having acquired ISO/TS 16949 as the quality management system standard for the automotive industry in 2002, Hyundai Mobis secured the foundation for process-based zero-defect quality system. Then, according to the transition to IATF 16949<sup>1)</sup> as a new quality management system standard at the end of 2016, we completed new certification as well as transition and renewal for 13 domestic and 18 overseas manufacturing sites by the end of 2021. In addition, while operating a global quality system suitable for automotive parts manufacturing based on VDA<sup>2)</sup> 6.3 to meet the quality requirements for OE in Europe, we are performing quality data analysis and preventive quality activities using various AI technologies in keeping with the latest digital transformation trend.

- 1) Standard established for systematic response to customer-specific requirements for the automotive industry based on ISO 9001 (quality management system)
- 2) VDA: Verband Der Automobilindustrie

Status of Quality Management System Certification (as of Dec. 2021)

Classification	Target	IATF 16949	Certification Rate (%)	Classification	Target	ISO 9001	Certification Rate (%)
Domestic Manufacturing	13	13	100	Domestic Parts Centers <sup>1)</sup>	32	32	100
Overseas Manufacturing	19	18	95	<b>Total</b>	<b>32</b>	<b>32</b>	<b>100</b>
<b>Total</b>	<b>32</b>	<b>31</b>	<b>97</b>				

Detailed Certification Status by Business Site

Classification	Target	IATF 16949/ISO 9001
Domestic Manufacturing	Jincheon	○
	Changwon	○
	Ulsan	○
	Ulsan Electrification	N/A
	Daegu Electrification	N/A
	Asan	○
	Gwangju	○
	Ihwa	○
	Anyang	○
	Seosan	○
	Gimcheon	○
	Poseung	○
	Inju	N/A
	Cheonan IP	○
	Cheonan EBS	○
	Pyeongtaek	N/A
	Chungju	○
Parts Centers	Service Centers (32)	○

Classification	Target	IATF 16949/ISO 9001	
Overseas Manufacturing	China	MBJ	○
		MJS	○
		JYB	○
		MWX	○
		MTJ	○
	US	MCQ	○
		MCJ	○
		MAL	○
		MAL-GA	○
		MNA-MI	N/A
Brazil	MNA-OH	○	
	MUA	N/A	
Mexico	MBR	○	
Europe	MMX	○	
	MSK	○	
	MCZ Module	○	
	MCZ Lamp	○	
	MRU	○	
India	MIN	○	
	MIA	X <sup>2)</sup>	
Turkey	MTR	○	

Note: Excluded from the target as certification of new corporations and those transferred to new locations is promoted one year after mass production,

- 1) Headquarters (1), parts centers (23), distribution centers (5), regions (3),
- 2) New certification to be acquired in 2022 as a result of postponement due to COVID-19

Data-based Quality Management Using AI Technologies

Hyundai Mobis is preparing for the transition to a “data-based quality management system” based on quality data and AI technology convergence.

We are continuously fostering experts to secure an independent data analysis system while optimizing the process management standard by using both our on-site operation experiences and data analysis skills. In 2020, we analyzed MDPS<sup>3)</sup> product process data using the machine learning technique, derived core factors, and applied them to production lines. In 2021, we identified the core factors through linked analysis between MDPS product process data and suppliers parts data and also improved the non-adjusted ratio in the SCC (Smart Cruise Control) assembly process and analyzed climate environment data and on-site claim impact of electrical and electronic products. In 2022, we plan to expand the scope of activities to include electrification items (PE module and power module) as the core products for future mobility. In addition, we are classifying on-site claim data for the prediction and management of market quality issues and developing the pre-detection algorithm and system. In the long run, we will switch to a smart factory system by integrating and connecting design, development, mass production, and on-site quality data and building a model for real-time process factor optimization.

3) MDPS: Motor-Driven Power Steering

## Quality Safety Program

### Regular Monitoring

Hyundai Mobis is conducting regular monitoring on quality cost using an internal system. Each year, our business divisions establish quality cost goals and check and share their progress to meet the goals by managing the cost processing status. The cost processing details are analyzed by item, factory, and monthly trend to identify vulnerable areas so that strategies and plans can be established accordingly.

### Operating System for Quality Response to Automakers

Hyundai Mobis operates a system for quality response to automakers, such as winning the five-star quality rating, in order to guarantee quality at each business site and meet their quality needs. We manage quality and inspect the management status according to operating procedures and guidelines. When nonconformities are detected, the necessary actions are taken immediately. The result is then shared internally and with automakers, and follow-up measures are taken. In addition, for claims from automakers, we not only monitor the claim information but also identify problems in and improve our performances. At the same time, to achieve quality that satisfies consumers, we define the quality policy, goals, and responsibilities and continuously promote quality management and improvement activities.

### Quality Training of Employees

To improve quality management awareness, Hyundai Mobis not only provides quality training to employees but also organizes various events to encourage employees' continued interest and participation. In 2021, a company-wide quality training session was held in relation to the quality certification for global automakers (VDA 6.3). For quality managers, we provided more in-depth and detailed training through quality training programs by subject in order to improve their expertise. In addition, to internalize the reliability operation process, which is essential in securing quality in advance, and foster internal experts, we support employees in obtaining Certified Reliability Engineer (CRE) and Certified Quality Engineer (CQE) qualifications. In 2021, 37 employees obtained the international certifications.



\*Quality safety training (VDA 6.3)

\*Supporting employees in obtaining Certified Reliability Engineer (CRE)

## Supplier Quality Management

### Supplier Quality Assessment (MQRS)

Hyundai Mobis helped suppliers build quality management competencies and establish a parts quality assurance system by operating MQRS (Mobis Quality Rating System), an internal quality assessment system for suppliers. This system applies to our domestic and overseas tier-1 suppliers. Under this system, suppliers' outsourcing management, process management, production and maintenance management, finished product management, and quality management competencies are comprehensively assessed. For new suppliers whose rating falls below the standard, we apply penalties including suspension of transaction. The subsequent assessment cycle is adjusted based on the assessment result to strengthen management of high-risk suppliers.

### Supporting Quality Training

Hyundai Mobis provides technical and quality training to tier-1 and tier-2 suppliers by operating the Quality School on a consignment basis. The training is provided all year round through ten courses, such as introduction to quality management, FMEA (Failure Mode and Effects Analysis), SQ, development of parts for new cars, and internal review. We contribute to improving the competitiveness of suppliers by providing them with training through experts in each area with both theoretical and practical competencies.

### Providing Resident Guidance and Consulting Service to Suppliers

Hyundai Mobis resolves the difficulties of suppliers and helps them develop quality competitiveness by sending experts to the suppliers' sites. Stationed full time at the suppliers' sites, the experts share their technical knowledge to reduce the defect rate and improve processes. At the same time, they provide consulting service on overall business management such as production technologies and quality management. As such, on-site guidance is provided through consignment to the Foundation of Korea Automotive Parts Industry Promotion in order to ensure professional and substantial support to suppliers.

## Quality Safety Training Performance

Program	Target	Content	Performance in 2021
Introduction to VDA 6.3 (content distribution)	Employees	Improve all employees' understanding of the certifications required by European customers	811 persons
Quality management practice (by subject)	Quality managers	Support quality competency improvement, such as for core parts for future mobility and automotive software	239 persons
Support in obtaining international qualifications	Quality managers	CRE, CQE, iNARTE ESD	47 persons (37 persons obtained)
Operating the Quality School	Tier 1 and tier-2 suppliers	Technical and quality training	3,061 persons
Technical guidance by resident Quality Service Team	Tier 1 and tier-2 suppliers	Providing consulting service on quality improvement through the resident team	55 companies

## Strengthening Product Warranty

Hyundai Mobis sets the amount of provisions by estimating the cost that is expected to be incurred for quality assurance, exchange and refund, repair for defect, and related after-sales service on products and services sold based on the warranty period (1 - 11 years) and past records, etc. When a problem is detected through internal inspection or by customer report, we take immediate action to recall the respective product to ensure customers' safety. There were no forced recalls in 2021. As for the 15,437 recalls in North America due to the MDPS defect in K5, we completed voluntary actions.

### Annual Recalls

2019	2020	2021
547,024 vehicles	1,549,892 vehicles	15,437 vehicles

### Warranty Provisions (Unit: KRW million, based on consolidated accounting)

Type	2021
Warranty reserve_primary (Provision for product warranties set at the beginning of the period)	1,238,315
Warranty reserve_transferred	267,855
Warranty reserve_used/substituted (Expenditures/Cost for product warranties during period)	318,965

## Customer Response

### Securing Stability in Parts Supply

In supplying the after-sales parts used in finished vehicles, Hyundai Mobis strives to improve customer convenience by ensuring swift and accurate parts supply. As of the end of 2021, we are supplying after-sales parts using our parts supply network across the world for approximately 59.07 million Hyundai Motor Company and Kia Motors' vehicles operating in Korea and abroad. The number of Hyundai Mobis' after-sales parts is around 2.58 million for 194 vehicle models including those whose production has been discontinued. According to the domestic consumer protection-related statutes and the Motor Vehicle Management Act, automotive parts must be supplied

for eight years after production of the respective vehicle models is discontinued. Therefore, to ensure successful supply of numerous after-sales parts, we are improving demand prediction accuracy and strengthening efficiency of the logistics system by operating the AI-based next-generation demand prediction system and standard logistics system. In particular, we applied the intelligent storage management system to our warehouses, managing the receipt and shipment of all items in real time using bar codes.

Hyundai Mobis conducts strict tests and thorough quality verification to make sure that vehicles display their highest performance throughout their lifespan. When problems are detected through internal inspection or customer report, we take immediate handling actions. The integration of our customer service system (MINDS) and parts operation system (SMART) enables supporting parts supply through the nearest business sites when customers request parts that are not available in their respective regions. To provide our customers with the best service, we will promote demand prediction improvement based on the actual demand and big data analysis.

### Domestic and Overseas After-sales Parts Network

(Unit: Centers and teams, etc.)

Type	2021
Domestic	
Parts Centers	22
Distribution Centers	4
Parts Teams	41
Distributors	1,890
MRC <sup>1)</sup>	1
Overseas	
Parts Corporations	10
Parts Centers (PDC <sup>2)</sup> )	56
Distribution Centers (PDC <sup>3)</sup> )	2
MRC	4
Branch	1
Distributors	487
Dealerships	13,302

1) MRC: Multimedia Remanufacturing Center

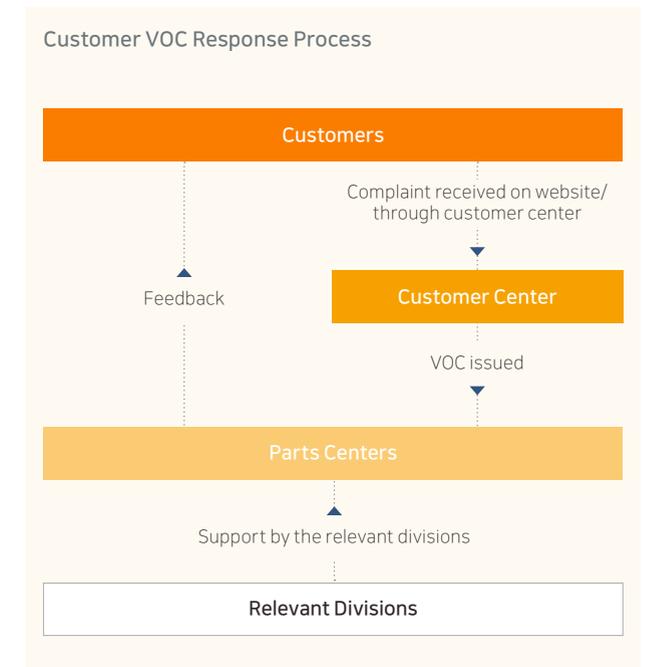
2) PDC: Parts Distribution Center

3) RDC: Redistribution Center

## Customer VOC Management

Hyundai Mobis operates a website for after-sales parts and supplies and accessories to help customers easily find the information they are looking for, such as detailed information about parts and sales locations. We also operate the customer center (1588-7278) through which customers can conveniently make inquiries and report complaints about our products and services. The received complaints are delivered to each parts center and related divisions for feedback and improvement actions.

[Website for After-sales Parts and Supplies](#)



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Circular Economy

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Product Stewardship  
Protection of Basic Rights  
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## Strengthening Service Management Competency

### Support for Strengthening Distributor Competency

Hyundai Mobis regards not only OEMs but also domestic and overseas distributors and dealerships that purchase parts from us as important customers and partners with which we improve the quality of service for customers (consumers). Therefore, to enhance the service capacities of distributors and dealerships and assist in their successful management activities, we provide various training programs along with support for the improvement of the store operating environment. We have increased contactless communication programs due to the effect of COVID-19 since 2020. Based on the programs, we are establishing a virtuous cycle to create greater values.

#### Seminar Programs for Distributors

Program	Description	Unit	Performance in 2021
Seminar for Good Distributors	Share policy directions for domestic business and strengthen communication	Persons	150
Seminar of Distributors for the Second Half of the Year	Review the performance for the year and share the direction to be followed in the future	Persons	1,250
Seminar of Executives of the National Association of Distributors	Share and discuss key issues concerning distributors to examine the difficulties and develop improvement plans	Persons	15

#### Programs to Improve the Distributor Operating Environment

Program	Description	Unit	Performance in 2021
Support through win-win fund	Raising and operating the Win-win fund (KRW 20 billion) to help distributors planning to borrow from financial institutes for large-scale environmental improvement investment resolve financial difficulties by providing low-interest loan service	KRW 100 million	1.2
Management consulting	Sending a Hyundai Mobis employee with a management consultant license to a distributor for four weeks to identify and develop improvement tasks for problems in the overall areas of management, such as organization operation, sales, promotion, inventory, and distribution	Distributors	22
Support for environmental improvement	Partial subsidy of the distributors' investment cost in the form of parts D/C in order to encourage distributors with inferior environment for parts storage to improve their storage environment internally	Distributors	13
Inventory integrity improvement	Assisting in the distributors' inventory management cost reduction and distribution quality improvement through partial subsidy of the cost for handling unusable parts generated in the course of storage or distribution	KRW 100 million	27.2
Support for operating system cost	Supporting the integrated operating system maintenance cost	KRW 100 million	10
Supply support	Supporting supplies including work uniform, signboard, image wall, and vehicle stickers according to the store environment standardization in order to provide high-quality service to customers	KRW 100 million	0.9

## Realizing Customer Value Through CS Training

Hyundai Mobis is promoting a range of CS competency building activities in order to realize the "customer first" value. We promote basic training for standard manual application and customer response in order to improve the CS attitude of employees at customer contact points in wholesale and retail. At the same time, we encourage employees at customer contact points to improve their CS mindset and change their perception on customer service by providing them with emotional care to relieve stress. We will continue strengthening communication and cooperation among employees by providing CS training in more diverse ways; thus ultimately fostering a corporate culture that realizes customer delight.

#### CS Training Programs

Program	Target	Description	Number of Attendees	Total Training Hours
CS training for employees at contact points	Employees at customer contact points	Training to improve out-of-stock and VOC response capacities	90	54
On-site leadership training	Managers of teams at contact points in retail	Leadership training for customer management	40	2
Customer engagement training	New employees at contact points in retail	Training on service manual and basic customer engagement targeting new employees at contact points	15	2.3
CS training	Accounting/ Clerical staff	Training on standard response procedures and for mindset development to improve the CS attitude	73	3
Training to improve cooperative customer relations	Employees at contact points for maintenance service sales	Training for change of awareness and attitude toward cooperating customers	55	4
Training for job competency building	Newly appointed employees	Training for customer VOC sharing and CS mindset improvement to assist in swift job adaptation	7	1
Introductory training for on-site staff	New employees in on-site positions	Training for personal growth by understanding of trends, mutual understanding through color therapy, and communication activation	112	9
Training for team managers	Heads of divisions and teams at headquarters and business sites	Training on communication to improve the CS mindset and activate communication with team members	69	2
Training to activate communication among team members	Team members at headquarters and business sites	Training on communication to improve the CS mindset and activate communication among team members	596	8
Training on emotional care for the Generation MZ in domestic business sites	Contract workers	Training for emotional care to relieve stress and strengthen communication in the organization	74	12
Spot training using pin program	Registering employees	Special lecture "How Good Employees Talk," etc.	32	1

# Protection of Basic Rights

## Respect for Human Rights

### Human Rights Policy

Hyundai Mobis declared its human rights policy to prevent human rights violations and mitigate risks associated with business operations, while actively practicing human rights management. For human rights management, we comply with human rights and labor-related international standards and guidelines such as the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, ILO Constitution, and OECD Due Diligence Guidance for Responsible Business Conduct. The primary target of human rights policy compliance is Hyundai Mobis employees (including non-regular workers), who include not only employees of domestic and overseas manufacturing and sales corporations but also those of subsidiaries, sub-subsidiaries, and joint ventures. In addition, we encourage all stakeholders in business relationships with us as well suppliers and sales and service organizations to comply with the human rights policy. In case our human rights policy is in conflict with local laws and regulations in overseas countries, the local laws and regulations take precedence over the policy. The human rights policy can be revised by reflecting the laws and regulations and industrial characteristics of the respective countries, and, if necessary, detailed policies can be separately established. Unless there are special clauses in the laws and regulations of the respective countries or articles of association or company rules of the organizations, all employees of Hyundai Mobis must execute operations according to the human rights policy.

### Human Rights Management System

Hyundai Mobis practices human rights management according to the human rights policy to uphold the human rights of all stakeholders including employees and resolve related risks. To this end, we have established an internal system necessary for human rights management, assessing and improving on human rights risks on a regular basis and sharing the results. In addition, while managing human rights according to the principle of good faith led by the Compliance Team as an organization in charge of human rights management, we revise the management system by periodically reviewing our human rights management process and reflecting social changes.



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## Activities to Prevent Human Rights Risks

Hyundai Mobis is creating a sound organizational culture by providing human rights training every year to all employees (domestic, including contract and dispatch workers). For overseas corporations, we allocate CPOs (Compliance Officers) as the compliance experts at each corporation across the globe, such as the US as well as Central and South America, Europe, and Asia-Pacific region in order to enhance local employees' human rights awareness and prevent risks.

In addition, we place importance on the impact of our business activities on human rights. Accordingly, when entering into agreements with new suppliers, we collect pledges from them to comply with our human rights and labor-related guidelines based on the Code of Conduct for Business Partners. Hyundai Mobis' suppliers are obliged to uphold and protect the human rights of their employees and other affiliated persons and to prevent any unfair discrimination.

### Human Rights Training Completion Rate in 2021



\* Company-wide compliance training in 2021 reflected to the training curriculum for newly hired and transferred employees, for company-wide training, exceptions applied to inevitable cases such as persons on long-term leave and the retired (excluding contract and dispatch workers)



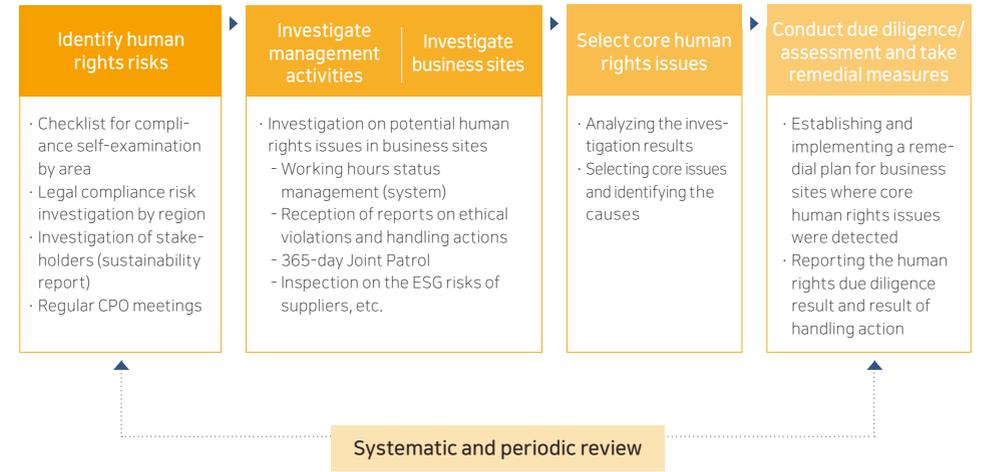
## Human Rights Risk Management

### Executing Human Rights Due Diligence

Hyundai Mobis conducts human rights due diligence by giving consideration to the human rights issues that can potentially affect its employees (including foreign workers) and those of suppliers, such as forced and compulsory labor and child labor, working hours, discrimination and harassment, freedom of association, safety and health, and environment.

In 2021, we received 42 ethics-related reports, provided recurrence prevention training, and executed personnel reshuffle in relation to the cases with risk of violation of ethical regulations, such as workplace harassment. For serious violations, we implemented disciplinary measures. Human rights due diligence is currently conducted based on the domestic standard. However, the process will be further upgraded in the future.

### Due Diligence Process



### Human Rights Due Diligence Result in 2021

Item	Labor <sup>1)</sup>	Ethics <sup>2)</sup>	Safety and Health <sup>3)</sup>
Number of Inspections	10,838	42	1,116 <sup>4)</sup>
Issues Identified	0	1	2,225
Actions Taken	0	1	2,225

1) Working hours status management (system) targeting all domestic employees  
 2) Reports received and handled through "Hello, HR (employee grievance handling system)"  
 3) Joint safety and health inspection with specialized external agency (365-day Joint Patrol)  
 4) Number of visits for business site inspection

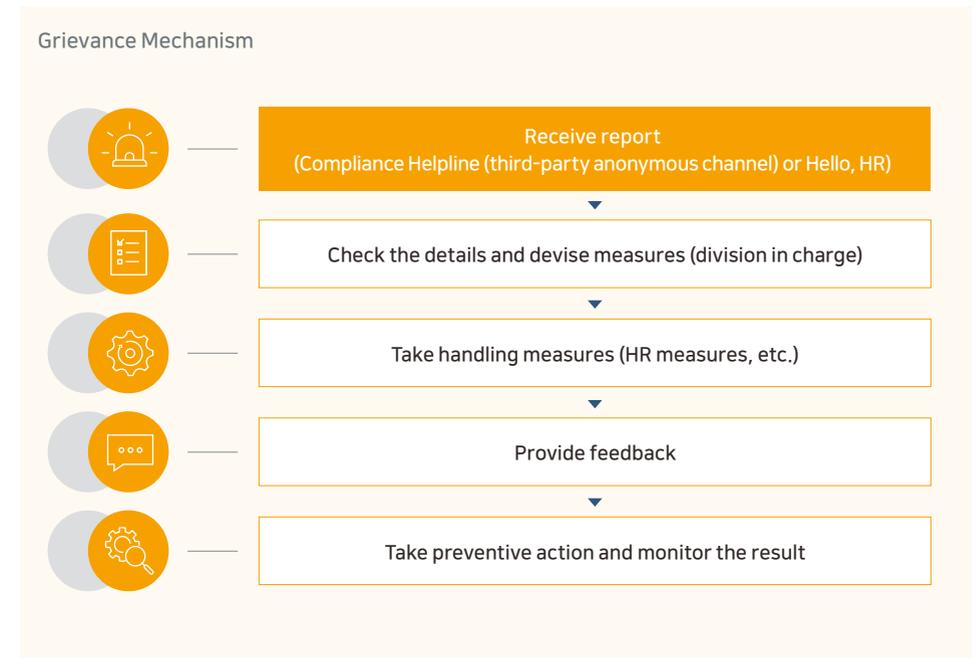
Potential Human Rights Issues

Classification	Vulnerable Groups in the Value Chain	Response
Prohibition of forced or compulsory labor and child labor	Employees, suppliers	<ul style="list-style-type: none"> <li>Prohibit contracts in violation of the Labor Standards Act</li> <li>Inspect the ESG risks of suppliers, etc.</li> </ul>
Compliance with working conditions	Employees, suppliers	<ul style="list-style-type: none"> <li>Conclude a work agreement</li> <li>Execute working hours status management at all times by operating the PC-off system</li> <li>Operate various welfare programs</li> <li>Inspect the ESG risks of suppliers, etc.</li> </ul>
Humanitarian treatment	Employees	<ul style="list-style-type: none"> <li>Establish the Cultural Ground Rule</li> <li>Operate an employee grievance handling/consulting channel</li> </ul>
Prohibition of discrimination and harassment	Employees	<ul style="list-style-type: none"> <li>Provide training for workplace sexual harassment/violence prevention and improvement of awareness of the disabled</li> <li>Operate an employee grievance handling/consulting channel</li> </ul>
Guarantee of freedom of association	Employees	<ul style="list-style-type: none"> <li>Comply with the labor-related laws of each country</li> <li>Operate the labor union and conclude a collective agreement based on collective bargaining</li> <li>Hold a sufficient number of labor - management council meetings</li> </ul>
Health and safety	Employees, suppliers	<ul style="list-style-type: none"> <li>Promote mid- to long-term safety and health strategies</li> <li>Organize and operate the Occupational Safety and Health Committee with the same number of members from labor and management</li> <li>Acquire ISO 45001 certification for domestic and overseas business sites and hold third-party inspection, such as 365-day Joint Patrol</li> <li>Provide regular health examination service to employees</li> <li>Inspect the ESG risks of suppliers, etc.</li> </ul>
Environmental protection	Local residents	<ul style="list-style-type: none"> <li>Perform GHG reduction and circular economy promotion activities</li> <li>Strengthen the management of pollutants and hazardous substances (effort to comply with legally permitted levels and develop substitutes)</li> </ul>
Protection of human rights of local residents	Local residents	<ul style="list-style-type: none"> <li>Internalize the human rights-oriented mindset through employees' human rights training</li> <li>Communicate with local communities through CSV activities by business site</li> </ul>
Protection of human rights of customers	Customers (distributors, consumers)	<ul style="list-style-type: none"> <li>Operate the customer center full time</li> <li>Receive and handle grievance reports through the customer service system (MINDS)</li> </ul>

Human Rights Violation Report and Handling

Hyundai Mobis integrates and manages reports and counseling service for all human rights violation cases and grievances of employees by operating the "Compliance Helpline" in addition to "Hello, HR," an employee grievance report and counseling channel operated by a division in charge of HR management. For informant protection, an independent external company operates this system on a consignment basis by applying security technologies so as not to leave any IP information. For reports of human rights violation cases including discrimination, an investigation and handling process that includes victim protection measures is operated. Human rights policy violation cases confirmed through a detailed investigation are strictly handled through the imposition of personnel measures by the Disciplinary Committee. The handling results are managed and stored by the persons in charge only according to the procedures.

If a violation case is likely to have a considerable impact on the victim's freedom and rights or lead to the company's reputation risk, remedial and improvement plans are discussed by a committee participated in by the related decision makers or through the management meeting. In addition, we strive for organizational culture improvement and training to prevent violations and their recurrence.



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## Diversity and Inclusion

### Increasing Diversity and Inclusion

Recognizing respect for employees' diversity to be an important value, Hyundai Mobis is striving to create an organizational culture to embrace and respect diverse viewpoints and beliefs. We specify in the Code of Conduct and human rights policy that there must be no unfair discrimination in relation to employment, such as recruitment, promotion, training, wage, and welfare, by reason of gender, race, ethnicity, nationality, religion, disability, age, family status, social status, and political inclinations, etc. Having selected the expansion of employees' diversity and inclusion as a key mid- to long-term ESG task, we are preferentially promoting the expansion of gender diversity. Specifically, we plan to establish a system for increasing recruitment and preventing churning of female personnel and develop the 2025 goal for the ratio of domestic female personnel employment and number of female employees in administrative positions with consideration given to the employment status according to the industrial characteristics. To this end, we have developed a gender diversity management plan by reviewing the UN Gender Equality Index covering the categories of recruitment, promotion, post retention, and training. We will also provide various training programs. Going forward, we will continue searching for new ways to expand diversity and inclusion within the company.

### Gender Pay

Hyundai Mobis applies the same pay system to all job groups without distinction between male and female employees. To both male and female employees whose performance assessment results are the same, the same wage for the respective position is paid. We also apply a fair compensation system based on the employees' duties and competency levels. Currently, the average wages of male and female employees are different because—according to the characteristics of the manufacturing industry—the ratio of male employees and number of years of their continuous service are higher than those of female employees. As the ratio of female employees in administrative positions and number of years of their continuous service increase, however, the average pay of both male and female employees are expected to converge.

## Labor - Management Relations

### Labor - Management Policy

Hyundai Mobis implements a labor - management policy that conforms to the local labor relations laws and regulations in all countries where it performs business activities and gives all employees the right to work according to their free will. We guarantee employees' freedom of association and collective bargaining and strictly prohibit unfair treatments by reason of employees joining, organizing, and/or performing in the labor union. In addition, when significant changes occur in relation to the company operation, such is prescribed in the collective agreement to consult with the labor union sufficiently so as to ensure employment stability.

### Operating the Labor-Management Conference Channel

Hyundai Mobis has three labor unions that operate based on the respective local conditions, workplace environment, and characteristics of work. Collective bargaining is held annually between the company and each labor union. In addition, we are promoting the establishment of a labor - management relationship of trust by holding joint briefings and council meetings in order to strengthen communication between labor and management. We also hold talks by position and division, organize communities, and use the Intranet to collect the opinions of employees and share with them the results of the Labor-Management Council meetings.

#### Labor-Management Council Meetings in 2021

Item	Description	Performance		
		Ulsan	Jincheon	Changwon
Collective Bargaining	Consultation on collective bargaining demand	39 times	12 times	15 times
Labor - Management Consultation	Sharing of opinions and consultation on pending issues in business sites	4 times	3 times	3 times
Management Briefing	Management performance, environment, business plan sharing	Once	Once	2 times

## Employee Value Expansion

### Operation of a Fair HR System

Hyundai Mobis is composed of a total of 33,702 employees in Korea and abroad throughout its business areas encompassing R&D, purchasing, production, logistics, and sales.

We are creating a working environment where employees of various backgrounds can live and grow together by observing domestic and foreign labor laws and operating a fair HR system.

#### Individual HR System



##### Employment

- Hiring personnel based on job competence regardless of gender, background, etc.
- Offering various methods such as open employment, SW Academy, employee recommendation programs for the new technology sector, etc.



##### Training and Assignment

- Support capacity development through IDP (Individual Development Program)
- Hiring human resources by operating Career Market, an in-company open position job movement program



##### Evaluation and Promotions

- Disadvantages and discrimination based on gender during evaluations and promotion reviews prohibited



##### Compensation

- Operating a compensation system free of discrimination and based on labor contracts

### Employee Recruitment and Assingment

Hyundai Mobis is striving to attract talents who are ready to take on challenges and cooperate based on its ideal candidates and the core values of the Hyundai Motor Group. Interviews by internal job representatives help applicants identify the precise features of the job when applying through disclosures on the recruitment website. Furthermore, contactless hiring procedures using videoconferencing are being used actively due to COVID-19; after recruitment, an in-company mentoring program is offered to support new employees in adapting to the company easily.

#### Case New Employee Training Using Metaverse

[Recruitment Website](#)

Hyundai Mobis is conducting new employee training using new communication methods such as metaverse (virtual world) and LAN travels in this age where remote work is being actively utilized and digital contents integrating AI and virtual reality are being highlighted. It was introduced for the first time for 200 new employees hired in the first half of 2021 in lieu of the in-person group training that was utilized previously due to the COVID-19 pandemic, and it was possible for the newcomers to interact and make friends through their personal avatars in the virtual world. In the future, we will reflect the needs of the MZ generation to conduct tour programs for major business sites and R&D centers using metaverse.



\* Contactless LAN travel

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**Strategies for Attracting Talents**

Hyundai Mobis established employment strategies to secure customized human resources tailored to software development for future mobility. It offers free software training opportunities for selected job seekers by operating the SW Academy linked to hiring. The company provides hiring procedures for those who complete job-related training such as automobile software engineering and embedded software training needed for parts development. In addition, it is making systematic efforts to attract talents in the software sector by evaluating their abilities through coding tests. An employee recommendation program has also been in operation since 2022 to expand recruitment strategies for software and new technology jobs. As a result of these efforts, 1,200 software engineering personnel are working in Korea as of the end of December 2021, and we plan to increase this number to 4,000 by 2025.



**Talents Assignment**

Hyundai Mobis operates the "Career Market" program for placing not only new employees but also other internal personnel more effectively so that they can demonstrate their true abilities. In Career Market, when an in-company announcement including the capacities and qualifications needed for a job is posted by an organization looking for new employees, employees who wish to land such job can submit an application. Employees who are transferred through this program can develop expertise in their desired position based on the capacities they gained in their existing organization. Over the past three years, 150 people were transferred to their desired positions through Career Market, which is creating synergy using their experience from other positions in their new organization.

Moreover, "Re-Skilling" is being operated for self-initiated career development, aimed at procuring organizational capacities through concentrated re-training in future core technologies. Last year, 12 employees transferred to the software sector through the Re-Skilling program. Such internal open position programs can help employees broaden their horizons through various job experiences while giving them the opportunity to renew their passion and exhibit their abilities and dreams.

## Fostering Human Resources

### Human Resource Fostering Strategy

Hyundai Mobis intends to secure future growth engines by establishing various learning environments so that employees can engage in self-directed growth and become a company that leads changes. For this, it has set three human resource fostering directions: future entrepreneur leader fostering track; employee experience track for member immersion and empowerment; and expert fostering track for creating business achievements.

#### Aims of fostering human resources



## Human Resource Fostering Program

### Strengthening Job Competitiveness

Hyundai Mobis built an training framework based on a human resource fostering strategy and established a leadership/experience/capacity-oriented training system according to the features of each track to support self-directed learning. It is operating the standard career development map and learning map it has established according to the features of each job group.

In addition, we are providing job development and in-company instructor fostering courses every year to strengthen the job competence of members with the goal of fostering in-company job instructors and supporting course development. In 2021, 95 in-company instructors operated 120 job training courses, and they are pursuing internal up-skilling by opening/operating training courses related to jobs during the year. In addition, Re-Skilling is being operated for self-initiated career development, aimed at procuring organizational capacities through concentrated re-training in future core technologies.

#### Training system

Company training    Group training

◀ Mindset				Skillset ▶			
Leader fostering track Talents / Position holder		Employee experience track All employees		Expert fostering track All employees			
Talents	Position holder	New employees	Life cycle design	Self-directed learning culture		Job / Skill Academy	
Management SP	(Debate) Insight research for workshop (experience) on insight and innovation					Re-Skilling	
In-Hub including former GLP (executives/team leaders)	New BU / Sector head	New employee mentoring				Company-wide joint training	
	New executives	New employee orientation lounge				Quality	Electrification
	New corporate head (group)	New employee OJT	Future design for future retirees	Special lecture for employees		Software	Purchase
TDP <sup>1)</sup> (Supervisor level)	Executive / head in-company coach fostering course	Group new / experienced employee orientation lounge	Soft landing for supervisor-level employees with low performance	Community of Practice		Autonomous Driving	HW
	DEP <sup>2)</sup> (New supervisor level)	Coaching Support Center		Language		Manufacturing	Connectivity
PDP <sup>3)</sup> (Manager level)	New head (independent / group)	New / Experienced admissions training	Persons promoted to supervisor levels	Smart learning		Design	SCM
		New team leader				Big Data / AI	Instruments
						Sales	Product development
						VA	Factor technology
						HR	Finance
						IT	
						Develop in-company job training course Up-Skilling <sup>4)</sup>	

1) TDP: Talent Development Program  
3) PDP: Potential Development Program

2) DEP: Development of Executive Pipeline  
4) Up-Skilling: Higher level within the job position

## Future Technology Training

Hyundai Mobis is strengthening software R&D capacities for employees as needed for future automobile technologies such as autonomous driving and connectivity and operating the Mobility SW Academy and learning platform program for company-wide SW technology capacity that it has implemented.

### Status of Future Technology Training

Category	Mobis SW Academy	Mobility SW learning platform
Training contents	Provide training on mechanical tectonics including the operating principles of convergence software and autonomous driving cars specializing in autonomous driving such as sensors, recognition, judgment, control, etc.	Provide training in the Mobility SW sector (automobile software/quality/architecture/programming/cloud, etc.) in all-day online learning format to establish a culture of company-wide software technology empowerment and software development
Training target	Research position	All employees
Training effect	Secure future technology capacity, strengthening of design quality	Company-wide software technology empowerment
Training performance	2021: 44 courses / 64 sessions; completed by a total of 1,322 people	2021: 4 sessions; completed by a total of 2,633 people

## Fostering Leaders

Hyundai Mobis offers tools and training tailored for leadership to help new team leaders and heads understand their changed roles and perform their duties smoothly.

In particular, on-boarding programs are supported for three months during the initial assignment period, which will have a decisive impact on the successful landing of the organization to help trainees demonstrate effective leadership according to their changed role as leaders.

### Assignment/Promotion of on-boarding system



In addition, the "Coaching Support Center" was opened for leaders to offer "How-to" leadership round-the-clock in order to help them understand the quickly changing business environment and technologies and to bring about the growth and immersion of members accordingly. Furthermore, by fostering in-company coaches for executives in 2021, a performance management culture centered on communication is being established.

### Support Through Coaching Support Center Linked to Full-Time Performance Management Process



### Establish a Joint Learning Culture

Hyundai Mobis operates Study Group support programs to establish a self-directed learning culture throughout the entire company, and they are strengthening work capacities through the learning of research trends and new technologies, acquisition of licenses, etc. Study Group can be autonomously opened by having at least three employees and is used as an opportunity for sharing various ideas and helping each other for the necessary learning. A certain portion of expenses for activities are subsidized when opening Study Group, with funding for speaker costs provided as well when inviting outside experts. At the end of the year, the best community awards are held to select and award the community with excellent activities. As of the end of 2021, there are 106 communities opened and in operation, enhancing capacities in various sectors through study groups on various new technologies such as robotics and Python and other areas such as English dialog by watching American shows, sharing video filming and editing skills, etc.

Employees who took part in Study Groups activities in 2021 responded positively, saying that support programs for encouraging joint learning for employees are essential, but expressed disappointment as the community activities were limited to online platforms due to COVID-19.

In 2022, plans include continuing to encourage the activation of knowledge sharing by providing support for various activities both online and offline.



\* 2022 Study Group

### Fostering Global Experts

Hyundai Mobis dispatches the company's talents to major corporations around the world to give them the opportunity to enhance their global competitiveness. Regional expert fostering pools are being established by region such as North America, Europe, Asia, and South America for dispatch, and resident employee training courses are being operated so that they may learn the local language, culture, and business communication skills while also helping them adapt to new working environments. In 2021 in particular, ESG training was carried out as human rights, local safety environment, corporate ethics, etc. are becoming more and more important in order to concentrate on enhancing understanding about this field.

Family workshops are held for not only dispatched resident employees but also their families to allow them to adapt quickly to their new environment while learning how to understand other cultures, global manners, etc., and having the chance to interact with the families of resident employees.

### Retirement Support

Hyundai Mobis operates various programs such as change management, life cycle design, financial planning, career exploration, etc. to help employees with their lives after retirement and to offer assistance for those preparing to retire.

#### Accumulated number of personnels trained

(Unit: Persons)

Category	2019	2020	2021
Subject personnel	72	122	131
Participated personnel	44	101	107

Category	Contents
Manager or lower and on-site positions	<ul style="list-style-type: none"> <li>Employees on year of regular retirement age (Age 60)                             <ul style="list-style-type: none"> <li>· Career planning and design after retirement - Career exploration: Start-up, re-employment, farming/return to hometown</li> <li>· Strengthening career exploration training - Perform divided training according to participants' needs</li> </ul> </li> <li>Employees on year before regular retirement age (Age 59)                             <ul style="list-style-type: none"> <li>· Understanding the need to prepare for retirement - Understanding changes and regular retirement age</li> <li>· Relationship training - Family relations, communication, etc.</li> </ul> </li> </ul>
Senior manager or above	<ul style="list-style-type: none"> <li>Employees on year of regular retirement age (Age 60)                             <ul style="list-style-type: none"> <li>· Life-cycle design - Career management: Career management after retirement - Financial management: Retirement pay management, etc.</li> <li>· Special lecture on change management - Change of relationships for those who are planning to retire, etc.</li> </ul> </li> </ul>

## Performance Evaluation and Compensation

### Performance Evaluation System

Hyundai Mobis operates a performance evaluation system based on systematic goals achieved together by fostering and motivating members focusing on coaching and feedback. The performance evaluation system is divided into achievement evaluation and capacity evaluation, which are linked with compensation, promotions, and advancements.



### 2021 performance evaluation status

Category	Base personnel (persons)	Target personnel (persons)	Executing personnel (persons)	Execution-to-target ratio (%)
Performance evaluation according to KPI	10,838	8,665 <sup>1)</sup>	8,665	100
Multidimensional evaluation	10,838	8,303 <sup>2)</sup>	8,303	100
Compensation according to relative evaluation	10,838	10,466 <sup>3)</sup>	5,146 <sup>4)</sup>	49.2

1) Excluding on-site workers, dispatched personnel/basketball team

2) Excluding on-site workers, contract worker/dispatched personnel/basketball team

3) Excluding contract worker/dispatched personnel/basketball team

4) Apply compensation linkage according to the evaluation results for persons with ranks higher than management office supervisors or higher (49.2%)

### Performance Compensation System

Hyundai Mobis has a non-discriminating, fair compensation system to pay wages composed of base pay and incentives. Wages are raised equally for both men and women considering internal and external conditions, but raises are applied differentially based on individual evaluations. Furthermore, employees who made extraordinary achievements are awarded according to their contributions through the "Proud Mobis Employee Award" program.

## Employees' Quality of Life

### Work-Life Balance

Hyundai Mobis is implementing selective work hour systems and PC-Off programs for flexible work according to the characteristics of each individual and job. This enables enhancing employee concentration on work and guaranteeing time for employees to acquire various experiences outside of work in support of work-life balance. Furthermore, autonomous work-at-home using remote access for in-company PCs, began as part of the response to COVID-19, was systemized to establish a smart work environment platform without time or space constraints. Hyundai Mobis will continuously review work efficiency advancement plans and link them with various work collaboration tools to respond flexibly to work environment changes.

#### Case Activation of Remote Working

Since its adoption as an official scheme in February 2020, remote working became an autonomous, dynamic new work form instead of a short-term alternative. Accordingly, employees took the initiative to produce work-at-home guidebook and video. Moreover, in commemoration of the one-year anniversary of the scheme, "remote working satisfaction surveys" were held for 1,087 employees. Based on this, "IT infrastructure" and "awareness enhancement" are being used to improve the scheme. In addition, a wide range of policies will be provided continuously so that employees can focus on their work without being constrained by space.



**Environment**

Environmental Management  
Climate Change Response  
Circular Economy

**Social**

Sustainable Supply Chain  
Product Stewardship  
Protection of Basic Rights  
Employee Value Expansion  
Safety and Health  
Social Contribution and  
Community Engagement  
Information Security

**Governance**

Shareholder Value Creation  
Competitive Board  
Audit Body  
Risk Management  
Compliance Management

Key Learnings in 2021

Appendix

**Welfare Support**

Various welfare and benefits are offered so that employees can work in a pleasant environment and feel proud of their job.

In 2019, we were recognized for such efforts, having been selected as a Certified Family-Friendly Company by the Ministry of Gender Equality and Family and given a commendation by the Prime Minister. We are continuously identifying employee needs through surveys, suggestions programs, and various meetings to find and pursue programs that can provide practical assistance.

**Welfare Program**

Category	Details	
Work hours	Flexible work hours	Workers can choose their work hours and start/end time within a weekly limit of 52 hours for each month and work by freely selecting within 40 hours a week and 8 hours a day
	Remote working	Company-wide work-at-home program through remote access to in-company PC
Child birth/ Child care support	Paid fetus examination	Attendance recognized for regular health examinations of pregnant women for all employees higher than supervisors
	Paid shortened work hours during pregnancy	Two-hour shorter work for female workers within the first 12 weeks of pregnancy or after 36 weeks of pregnancy (select either after starting or before ending regular work hours), for which the hours will be paid
	Happy Travel for Children	Offer use of five-star hotel for employees during pregnancy or after child birth
	Paid leave before and after child birth	Pregnant women offered 90 days (120 days for twins or more) before and after child birth, men given parental leave of 10 paid days, which is more than what is stipulated in the Labor Standards Act
	Parental leave	Up to two years' child care leave per child for workers with children under the age of 8 or second grade in elementary school
Vacation	Shortened work hours during child care periods	Shortened work hours of 2 hours/4 hours (select start or end of work hours) for up to two years per child for workers who need child care for children under the age of 8 or second grade in elementary school
	Breastfeeding room / Pregnant women's lounge	Provide mother-child facilities such as breast pumps, recliners, refrigerators, etc. (operated at the head office, Mabuk Research Center, Jincheon Plant)
	Work daycare center / Consigned child care facility	Yeoksam Seoul (36-person capacity), Yongin Gyeonggi-do (54-person capacity), Jincheon Chungcheongbuk-do (99-person capacity), Changwon Gyeongsangnam-do (consigned child care for applicable persons for ages 0-5)
	Family leave	When needing family care due to disease, accident, or old age of family members, up to 90 days' leave per year possible
	Other support for pregnant women	Parking support for pregnant women, congratulatory flowers, welfare points
	Summer vacation	In addition to monthly and annual leaves, five-day summer vacation that can be used flexibly according to the desired schedule between June and November
Refresh vacation	Refresh vacation	Operating a two-week refresh vacation program to allow employees to get sufficient rest and recharge
	Long-term employment award	Vacation, vacation pay, and souvenir every five years for long-term employees who have worked for 10 to 35 years
	All-season resort (condo)	Member-price benefits for 37 resorts

Category	Details	
Health care	Healthy snacks	Healthy salads, low-sugar/salt meals
	Regular medical examinations	Legally required examination requirements once a year for all employees (twice a year for head office) and additional examinations (stomach ultrasound, dyslipidemia) with attendance recognized. Additional examination (blood tumor examination, thyroid ultrasound) for employees over the age of 40
	General examination	One general examination for all employees and their family (one person from among spouse, parents, spouse's parents) every year with attendance recognized. Full amount paid for every 3 years for employees over 35
Life/ Convenience support	Female examination	Women's examination provided five times a year for female employees
	Congratulatory and condolatory benefits	Leave and monetary support for congratulatory or condolatory events
	Child scholarships	Infant education costs, disabled children's education cost, college tuition support
	Housing support fund/new employee settlement support fund	Expand the existing housing support fund and new support for new employee settlement funds for up to 50 million KRW for employees who joined the company less than 3 years ago
	Appointment and moving	Appointment cost and moving cost support for employees who changed their workplace
	Company housing	Dormitory for new employees, experienced employees (unmarried), short-term appointment, and dispatch
Vehicle discount	Vehicle discount	Vehicle discount and tire, parts and repairs discount depending on the number of years worked
	Points	Can use welfare points, cyber money, and self-development points at the employee shopping mall
	Personal pension	Up to 20,000 KRW personal pension support for current employees
	Partnership discounts, power sponsors	Partnerships with promotions such as financing, wedding, mutual aid, rental car, fitness, etc. for employees
Culture support	Clubs	Monthly activity expenses provided
	Support cultural performances	Discounts for various cultural performances such as musicals, theater, concert, exhibits, etc. (up to 80% discount)

## Employee Ownership Program

Hyundai Mobis operates an employee stock ownership association pursuant to the Framework Act on Labor Welfare. While providing financial growth and motivation for individuals by having members exercise stockholder rights by acquiring and possessing employee stocks, it also aims at improving labor-management cooperation and enhancing management transparency.

Accordingly, in 2021, four employee stocks were provided to all full-time employees based on the labor-management agreement in the second half of 2021. Furthermore, a total of 16 shares were distributed to 1,735 people through personal contributions on December 24, 2021. Afterward, interest support funds were provided according to labor-management agreements, and year-end income deductions and dividends were paid.



## Corporate Culture

Having set “challenge and cooperation” as the identity of its corporate culture, Hyundai Mobis will establish a creative corporate culture based on mutual respect and consideration through various activities. Plans include establishing and implementing the internalization of the cultural ground rule “Mohaeng” and changing the way we work as a major project for 2022 considering the changes

in the industrial and business strategies as well as changes of employee composition and perception.

Even with limited in-person activities due to COVID-19 in 2021, members were encouraged to gain a sense of membership and pride through many contactless meetings and events; they also took part in organizational culture activities to launch collaboration products with fashion brands that are popular among the MZ generation. In addition, we are striving to improve the organizational culture using the employee communication channel D’talks anonymous board and CA activities of each organization.

## Activities for Improving Corporate Culture

### Operation of Change Agent

In order to reflect the various opinions of employees in operating the organization, CAs (Change Agents) are selected for each office to serve as a window for communication and to engage in individual organizational culture activities.

The CAs of each organization gather to share ideas for improving the organizational culture of current jobs, and CA activities are being pursued actively using the in-company platform. In 2021, various CA activities were held for each organization despite the contactless environment due to COVID-19. At the end of the year, the BU/sector organization with outstanding organizational culture activities were selected and awarded by the CEO.

### CEO Town Hall Meetings

Hyundai Mobis held a CEO Town Hall meeting where all employees and the CEO can communicate horizontally. In January 2022, the CEO introduced the future direction and annual progress of Hyundai Mobis through online streaming, and, based on the pre-surveys with employees, panel discussion and real-time Q&A were held with employee representatives. About 2,000 people viewed this in real time, and there are plans to increase opportunities for management and members to communicate annually.

### Cultural Ground Rule MO:HAPPY

Hyundai Mobis is operating the unique cultural ground rules it has enacted. “MO:HAPPY,” which is how people at Hyundai Mobis work—happily—refers to the seven cultural ground rules that everyone must follow; its main themes are smooth communication between employees, goal consciousness, and collaboration synergy.

The slogan was made by having members participate in its establishment, and there are plans to engage in various internalization activities so that all members can act upon this. We will create a company that grows together by having employees take on challenges with flexible thought processes and fostering a culture where people do not blame others for failures but prepare for the next endeavor.

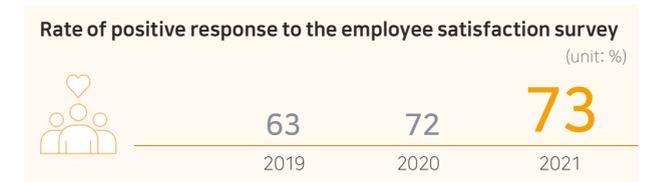


\* Cultural Ground Rule MO:HAPPY

## Diagnosis of Organizational Culture

Hyundai Mobis is conducting “Culture Surveys” for all employees every year to come up with plans to improve the organizational culture by reflecting employee needs. In September 2021, individual e-mail surveys composed of “organizational culture features,” “leadership index,” “organization effectiveness,” and “creative innovation index” were carried out through an external research firm. The rate of employees with positive responses rose by 1.2% with a continuous rise in scores maintained. In order to continue this trend, we will identify the needs of each business site to enhance the pride and job satisfaction of members while engaging in various activities for improving the organizational culture.

### Results of organization culture diagnosis



## Safety and Health

### Safety and Health Management Framework

#### Safety and Health Management Plans and Policies

##### Vision

Create a **safe and healthy workplace** where everyone can feel safe to work

In order to create a “safe and healthy workplace” where all employees can feel safe to work, Hyundai Mobis has established the “Health and Safety Priority Management Policy” and made safety and health the utmost priority for all work activities to focus on safety management. In addition to this, it has established various policies for creating a workplace that guarantees safety and improves the health of employees. As of January 2022, 42 domestic sites and 16 overseas manufacturing corporations acquired the international standard ISO 45001 (safety and health management system) to construct a safety and health management system within the business sites. We are regularly inspecting and making improvements to health and safety management.

#### Safety and Health Environment (SHE) Management Policy

- All employees of Hyundai Mobis recognize “SHE as the foremost value” and identify and observe matters necessary for SHE management such as SHE-related laws, requirements of customers and stakeholders, social responsibilities, etc.
- Hyundai Mobis has prescribed the necessary matters for preventing major disasters, health hazards, fires, and environmental accidents, and all employees are required to observe the basics and policies related to SHE.
- All employees of Hyundai Mobis are the subjects of SHE activities, and the company must provide general management and support to allow “continuous and practical SHE activities.”
- Hyundai Mobis places priority on investing in maintaining and improving a “safe and healthy environment.”

#### ISO 45001 Certification Status (as of Jan. 2022)

Category	Target	ISO 45001 Certification	Certification rate(%)
Domestic Manufacturing <sup>1)</sup>	16	13	81
Parts Centers <sup>2)</sup>	29	29	100
Overseas Manufacturing <sup>3)</sup>	19	16	84
<b>Total</b>	<b>64</b>	<b>58</b>	<b>91</b>

1) New sites excluded (Inju Site commenced mass production in 2022)

2) Including headquarters, distribution centers (5), parts centers (22), and Cheonan Storage

3) Joint ventures excluded

#### Detailed Certification Status by Business Site

Category	Target	ISO 45001 Certification
Domestic Manufacturing	Jincheon	○
	Changwon	○
	Ulsan	○
	Ulsan Electrification	X
	Daegu Electrification	X
	Asan	○
	Gwangju	○
	Ihwa	○
	Anyang	○
	Seosan	○
	Gimcheon	○
	Poseung	○
	Inju	N/A
	Cheonan IP	○
	Cheonan EBS	○
	Pyeongtaek	X
Chungju	○	
Parts Centers	Service (29 centers)	○

Category	Target	ISO 45001 Certification	
Overseas China	MBJ	○	
	MJS	○	
	MWX	○	
	MTJ	○	
	MCQ	○	
	MCJ	X	
	US	MAL	○
		MAL-GA	○
		MNA-MI	X
		MNA-OH	X
	MUA	N/A	
Brazil	MBR	○	
Mexico	MMX	○	
Europe	MSK	○	
	MCZ Module	○	
	MCZ Lamp	○	
	MRU	○	
India	MIN	○	
	MIA	○	
Turkey	MTR	○	

### Safety and Health Governance

With the strengthening of internal and external safety and health regulations such as Korea's laws on punishing major accidents, the company-wide safety and health organization was integrated and reorganized into the SHE Division under the CSO (Chief Safety & Health Officer), and it is continuously reinforcing its personnel specializing in safety and health. As an organization specializing in safety and health, the safety and health sector is striving to practice safety management for Hyundai Mobis by securing the fundamental safety of business sites, constructing systematic management systems, and fostering a unique safety culture.

In addition, the industrial safety and health committee was organized with the same number of labor and management representatives to review and decide on policies and major issues related to safety and health for each quarter.

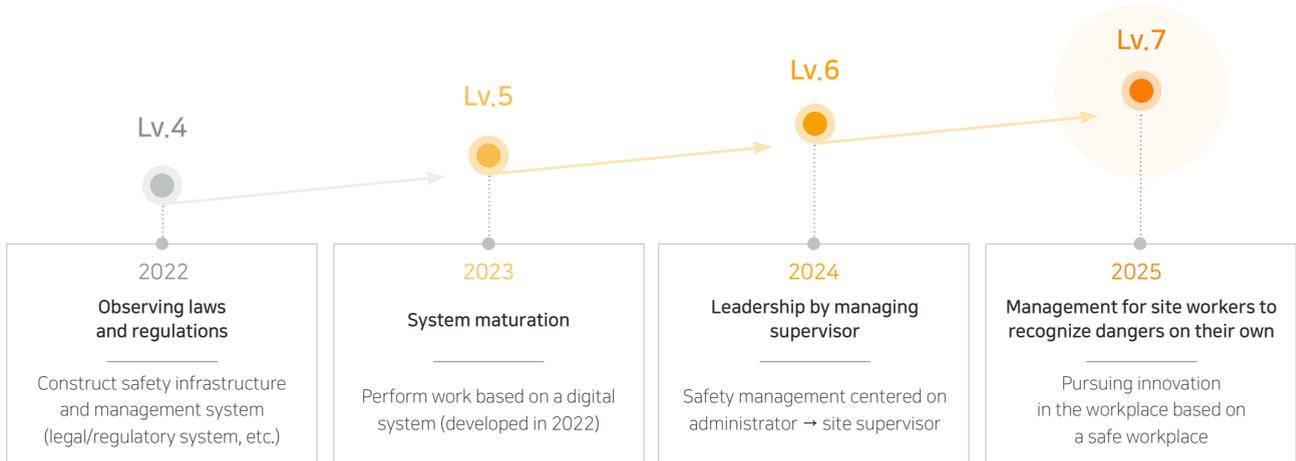


### Safety and Health Promotion Strategies



### Implement Project for Improving Safety Levels

Hyundai Mobis is further developing its safety management system to upgrade the safety management systems and capacities of all business sites to world-class levels. Starting with the company-wide declaration in May 2021, it is using the techniques of global certification institutes to diagnose the level of its safety system and culture as well as various and objective methods to draw up risk factors and vulnerabilities to make fundamental improvements. In particular, Hyundai Mobis developed a safety system/culture evaluation technique (MSRS) customized to it to operate a sustainable safety management system.



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Establishment and Operation of a Cooperative Coexistence System

Hyundai Mobis established and enacted safety and health activity plans together with partners to enhance the safety and health levels of partners while striving to achieve mutual development in safety and health. Regular meetings are held with partners at each business site every month to share information and incidents related to health and safety while collecting suggestions and making improvements. In addition, autonomous safety management capacities are being strengthened for partners through 365 joint patrol, inspection of operation status, etc., and we are also improving safety awareness by developing and supporting training courses. Furthermore, we are supporting the acquisition of the international safety certification ISO 45001 for the systematic operation of win-win cooperation safety management systems and operating the Safety Call Center to share safety and health Q&A and information with suppliers in real time.

Fostering a Safety and Health Culture

Safety and Health Training

All employees at Hyundai Mobis are completing annual safety training courses to enhance their safety awareness and prevent accidents that can occur at work sites. In 2021, a UCC video containing accident cases and safety rules for the work site was produced to enhance understanding and training effects. In addition, we are conducting online training prior to entry to business sites for all partners while prohibiting entry for those who did not complete the training. Moreover, safety leadership training is held regularly (semiannually) for executives including the CEO to provide a practical basis for safety activities for management that places utmost priority on safety.

Safety and Health Training

Category	Target	Training contents	No. of persons who completed the training	Training hours
Safety training upon hiring	New employees	Matters on the Occupation Safety and Health Act and general management	707 persons	8 hours
Regular safety training	All employees (excluding the headquarters)	Matters on industrial safety and accident prevention	7,670persons	6 hours/ half-year
Special safety training	Persons subject to special safety training for the Enforcement Rules of the Occupation Safety and Health Act	Work order and routes for forklifts, cranes, etc. and actions when accidents occur	733persons	16 hours/
Managing supervisor training	Managing supervisor	Work process hazards, dangers and disaster prevention plans, etc	516persons	16 hours/ year
Company-wide compliance training (SHE module)	All employees <sup>1)</sup>	Safety and health management policies, essential safety rules and accident cases, etc	9,047persons	1 hours/ year

1) Excluding on-site workers, contract/dispatch personnel

Nurturing of a Safety Culture

Hyundai Mobis is searching and implementing a wide range of plans to have its unique safety culture take root by having each and every member act with a sense of awareness of safety. For this, we have enacted the eight major safety rules for major risk types, and we are conducting joint PR and campaigns by labor and management while operating various participation-type safety culture programs such as thematic safety environment quizzes every month, safety slogan contests, etc.

In addition, we are consolidating the status of safety accidents, internal and external awards, legal violations, etc. in order to promote the safety activities of all business sites and awarding employees and business sites with outstanding safety of 95 points or higher.

8 major safety rules

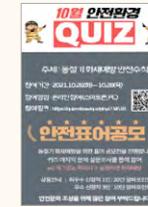
-  Do not use your phone while working or walking.
-  Smoke only in the designated areas.
-  Always wear appropriate protective gear for the work.
-  Do not arbitrarily dismantle equipment safety devices.
-  Arbitrary entry into facility operation zones and logistics work zones is prohibited.
-  Observe the designated speed limits in the company.
-  Use pedestrian walkways when walking.
-  Observe the advance safety work authorization system.

Photos on activities related to safety culture



Excellent Safety Management  
'21년 안전 관리 우수 사업장  
○○ 공장  
HYUNDAI MOBIS

\* Award for outstanding safety management business site



10월 안전퀴즈 QUIZ  
인원표어골목

\* Company-wide safety quiz

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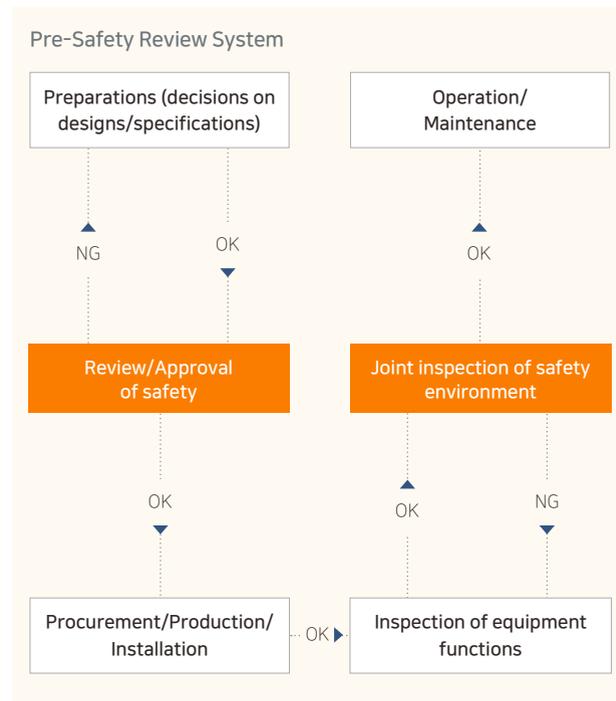
Appendix

## Occupational Safety Management

### Safety Risk Inspection

#### Operation of the Pre-Safety Review System

Pre-safety review systems according to domestic and international specifications for equipment and auxiliary facilities invested in are being operated to secure the safety of facilities and equipment in the business site. In addition, fundamental risk factors are being minimized by improving the safety of equipment in operation and through regular inspection activities for basic safety specifications.

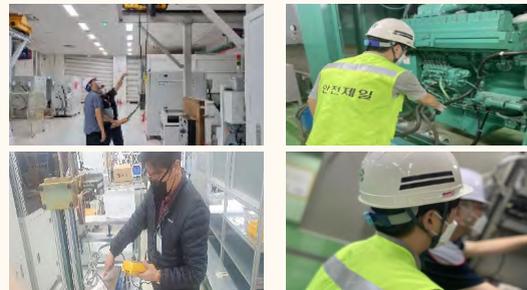


#### Safety Environment Inspection Activities

Hyundai Mobis organized the 365 joint patrol and consulting committee together with outside institutes (Korean Industrial Safety Association) and business site safety personnel in 2021 to ensure safety and health at work sites and to minimize major disasters in its regular monthly activities. Furthermore, it conducts independent inspections on the targets it has selected for standards management (29 types) and inspection items (265), including special inspections for each time and theme (thawing period, storms and flood, freezing season, summer vacation period, etc.).

Moreover, it has organized an inspection team with the 365 patrol agents and each BU safety personnel centered on the Safety and Health Support Office of the headquarters to perform "company-wide safety environment operation status inspections" regularly for domestic business sites (once/year) and overseas business sites (once/3 years). The company-wide safety environment operation status is being analyzed qualitatively and quantitatively through not only document and site inspections but also unscheduled inspections to improve the hazard and danger factors. In 2021, on-site inspections for overseas business sites had to be replaced with written inspections due to the spread of COVID-19.

#### Safety Environment Inspection Activities



\*365 joint patrol and consulting committee activities

\*Inspection of company-wide safety environment operation status

### Safety Accident and Emergency Response

Hyundai Mobis takes immediate actions when accidents occur by operating an emergency response system. Emergency response manuals are shared for all business sites, and simulation training for emergency response is held regularly (quarterly) to improve response capabilities. Furthermore, rescue goods that can be used during emergency situations were manufactured and distributed. In 2021, 25,000 emergency response rescue handkerchiefs were distributed to employees and partners at all of our business sites.

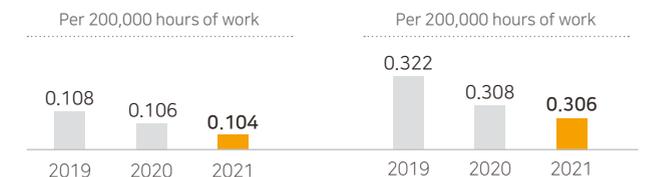
Major types of injuries at the company are related to jamming in production equipment and forklifts in the warehouse due to the nature of the work, and efforts are being made to prevent safety accidents through focused inspection on major accidents, inspections prior to starting work, joint inspection of outside experts, worker training, etc. When accidents do occur, actions are taken promptly according to the response manual as part of all-out efforts to minimize damages. In addition, when an urgent risk of accident occurs while performing work, all workers are guaranteed the right to stop or refuse to work at his or her discretion.

Meanwhile, as the risk of large-scale disasters that threaten safety of the work site such as earthquakes or typhoons grows, we are engaging in prompt disaster response and restoration systems and disaster prevention activities by operating a safe business site. Emergency response systems are being constructed for each situation or stage depending on the type of emergency situation, with actual simulation training sessions held regularly to improve emergency responsiveness. As a result, the safety accident management index has been improving for three straight years.

Accident rate (LTIFR) -  
Employees



Accident rate (LTIFR) -  
Internal suppliers



## Employee Health Management

### Health Management Program

#### Operation of Health Management Center/Psychological Consulting Center

Hyundai Mobis supports the healthy professional life of employees through various health improvement activities such as expert organizations and health management offices for each business site. In particular, the in-company psychological consulting office "Healing Sam" has been operated both online and offline since 2014 with the goal of improving the psychological health of employees.

Healing Sam offers consulting and treatment for company life, interpersonal relations, and stress and child care courtesy of a full-time psychologist at the company. Furthermore, the services are being expanded for those who cannot visit the office in person through online self-diagnosis services, consulting services that tour business sites in other locations, and videoconferencing services for employees dispatched to foreign countries. Anonymity is guaranteed for personal consulting and examinations according to the psychologist code of conduct and Medical Act.

#### Medical expense support



##### Examination expense

Support for employee and family examination expenses



##### Health examination

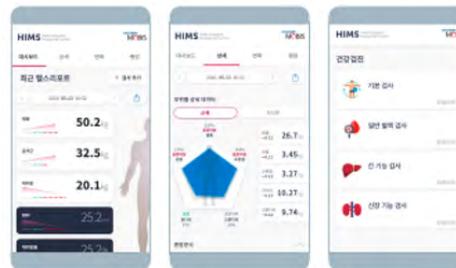
50% of general examination expense covered for all employees (100% every 3 years)



\*Healing Sam's online psychological evaluation

### Health Integrated Management System (HIMS)

The HIMS (Health Integrated Management System) application and website were developed and are in operation for the systematic management of employee health. Major functions of HIMS include provision of a variety of health-related information such as health examination results and in-body measurements and goal management to encourage employees actively to improve their health awareness and change their lifestyle habits for the better. In addition, a total of 85 pieces of in-body equipment were installed at each of the business sites in Korea so that both employees and in-company partner laborers can check and manage their state of health.



\* HIMS application

### COVID-19 Response

Hyundai Mobis continues to operate the emergency response TFT it has activated since February 2020 when the COVID-19 pandemic broke out. In addition, emergency response procedures per situation were established in detail and linked to government policies for quick and systematic response. An employee code of conduct was established to provide information on restricted personal or group activities, work site infection prevention management, and infection prevention management during business trips, etc. and it has been making utmost efforts to prevent COVID-19 and return to normalcy through the active deployment of work-at-home, distribution of self-diagnosis kits, and regular disinfection activities.

#### Major activities

##### Major policies



- Activation of emergency response TFT
- Establishment/Operation of emergency response procedures
- Enactment/Operation of employee code of conduct
- Implementation/Operation of work-at-home (Feb. 2020)

##### Information / PR



- Text messages to all employees, in-company broadcasts, information/PR on company-wide posts
- Production/Distribution of prevention booklets
- Opened a self-diagnosis app for employees (Sep. 2020)

##### Disinfection activities at worksites



- Regular disinfection at major spaces
- Check for fevers before entering work sites
- Distribution of health equipment such as masks and self-diagnosis kits



\* Employee code of conduct for COVID-19

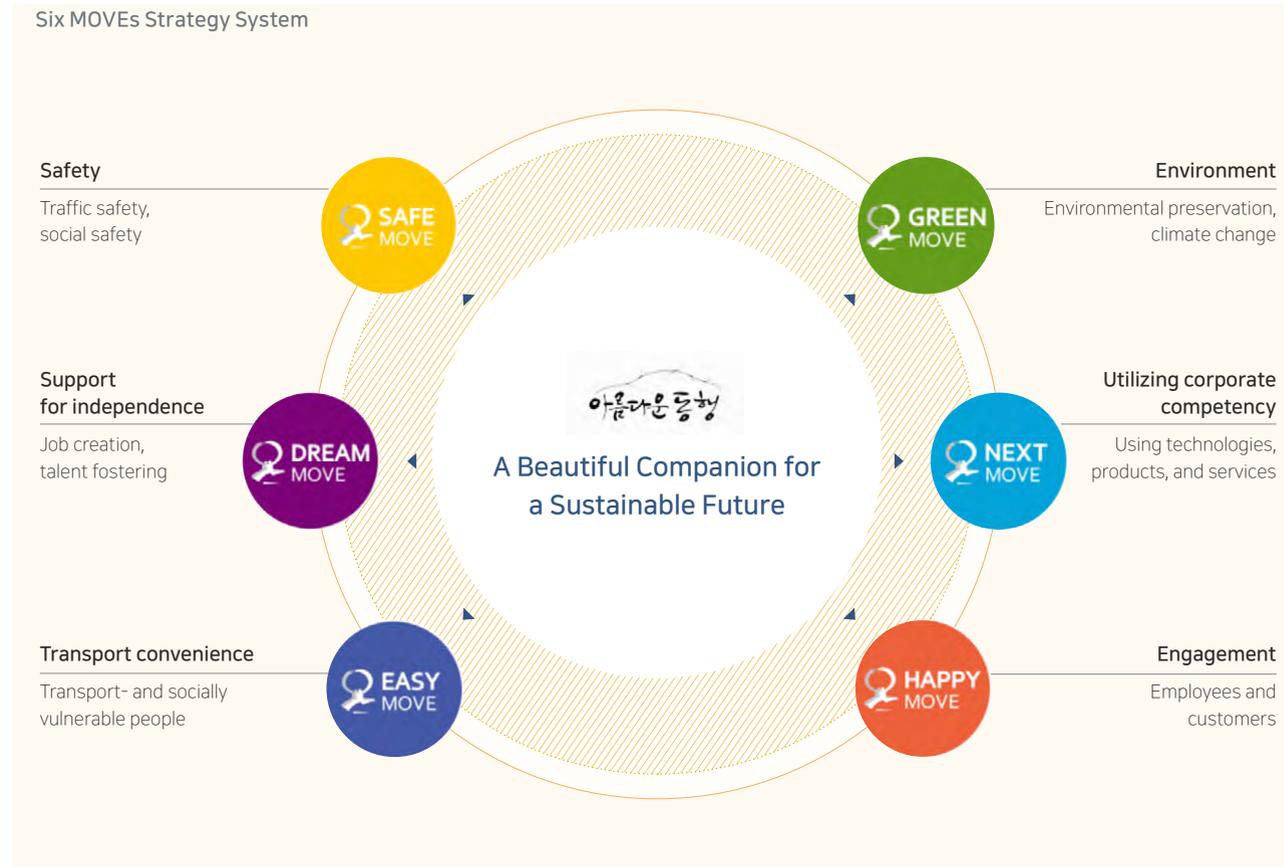
# Social Contribution and Community Engagement

## Social Contribution Activities

### Hyundai Mobis' Six MOVEs

66 Creating a Happy Society for All 99

Hyundai Mobis performs social contribution activities in the direction of enhancing corporate value at the same time as fulfilling social responsibilities. Based on the "six MOVEs" strategies developed according to our business characteristics and corporate strengths, we are committed to "Creating a Happy Society for All" where we, together with stakeholders, create and share sustainable future values.



### Social Contribution Roadmap

- 2016

#### Establish a social contribution system (Launch four MOVEs)

- Perform See-through umbrella sharing activity and launch the Junior Engineering Class
- Start the Hyundai Mobis Forest (Meer Forest) development project
- Launch the program for supporting the transport convenience of children with disabilities

2017 - 2020

#### Elaborate the social contribution system (Launch six MOVEs)

- Introduce the Meer Forest regular program
- Expand the Junior Engineering School program abroad (Czech Republic, Slovakia, Turkey)
- Distribute one million See-through umbrellas (cumulative)

2021 - 2025

#### Expand value creation through social contribution system transition

- Improve efficiency of the six MOVEs project
- Respond to future mobility environment change
- Launch volunteer service programs led by Hyundai Mobis employees

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Appendix

## Key Activities of the Six MOVES

<p><b>SAFE MOVE</b></p> <ul style="list-style-type: none"> <li>Perform see-through umbrella sharing initiative</li> <li>Develop traffic safety training application</li> </ul> 	<p><b>DREAM MOVE</b></p> <ul style="list-style-type: none"> <li>Archery Academy</li> <li>*Temporarily stopped due to COVID-19</li> </ul> 	<p><b>EASY MOVE</b></p> <ul style="list-style-type: none"> <li>Support the mobility convenience of children with disabilities</li> <li>Publish a children's book to improve awareness of people with disabilities</li> </ul> 
<p><b>GREEN MOVE</b></p> <ul style="list-style-type: none"> <li>Create the Meer Forest</li> <li>Good Cycling Campaign</li> </ul> 	<p><b>NEXT MOVE</b></p> <ul style="list-style-type: none"> <li>Junior Engineering Class/ after-school class</li> <li>Autonomous Vehicle Contest</li> </ul> 	<p><b>HAPPY MOVE</b></p> <ul style="list-style-type: none"> <li>Donation Run &amp; Donation Hiking</li> <li>Volunteer activities by employees</li> </ul> 

### 1) SAFE MOVE

As an automotive parts maker, Hyundai Mobis feels a sense of responsibility toward traffic safety, so it performs social contribution activities to protect children from the danger of traffic accidents.

 Reduce the traffic accidents of children

#### See-through Umbrella Sharing Initiative

See-through umbrella sharing is Hyundai Mobis' representative social contribution program of providing see-through umbrellas to children along with traffic safety training with the goal of preventing children's traffic accidents. Through cooperation with the Korea Children Safety Foundation and Korea Road Traffic Authority, we have been implementing this program since 2010. As of the end of 2021, we have distributed 1,233,300 see-through umbrellas to 2,111 schools and 1,983 individuals.

We are continuously upgrading this program in order to strengthen children's safety further. First, we made an umbrella customized to children, i.e., lighter in weight and sturdier than general umbrellas, by improving the shape and applying reinforced and lightweight materials. We also attached a whistle to the umbrella so that children can ask for help in an emergency situation by using the whistle.

The traffic accident rate of children who participated in the see-through umbrellas sharing campaign dropped by an average of 27%. Compared to the national average, the reduction effect was approximately four times higher. We spread the importance of see-through umbrella and traffic safety training and enhanced social awareness by publishing a study verifying the effect of this campaign in "Traffic Safety Research 11" of the Korea Road Traffic Authority.

Going forward, we will expand this program to a general children's traffic safety campaign and raise social interest in and form consensus for children's traffic safety by developing experience-based, contactless traffic safety training content in addition to see-through umbrella sharing.



1) See-through umbrellas Sharing - A study on the effectiveness of children's traffic safety training project (Traffic Safety Research Vol. 37 (2018), Traffic Science Research Institute, Korea Road Traffic Authority)

\* PR for See-through Umbrella Sharing

 Find out More about See-through Umbrella Sharing

### "A Path to School," a Traffic Safety Training Application for Children

In the second half of 2021, Hyundai Mobis developed "A Path to School," an application for children's traffic safety training, to help children recognize the dangerous situations that can take place on their way to school and back home and prevent accidents by using the advanced "eye recognition" technology applied to automobiles.



\* A Path to School application

This application was designed to check if children can accurately recognize a range of dangerous situations in a virtual traffic environment. With face-to-face training limited due to the prolongation of COVID-19, A Path to School is used for children's traffic safety training at schools and in local communities.

### 2) EASY MOVE

Hyundai Mobis performs activities to support the transport convenience of children with disabilities and enhance social awareness of disabilities by placing focus on mobility.

 Ensure that the poor and the vulnerable have increased access to financial and social resources

 Increase education for diversity and inclusion awareness raising

#### Supporting the Mobility Convenience of Children with Disabilities

As of 2021, Hyundai Mobis has provided customized assistive devices for mobility convenience and postural support to 175 children with disabilities experiencing difficulties in physical activities. Through this activity, we enhanced the mobility convenience of children with disabilities, expanded opportunities for social participation, and assisted in rehabilitation treatment.

Hyundai Mobis also operates "Healing Camp," a family trip program for children with disabilities and their families, through employees' participation. In 2020 and 2021, too, we made and distributed a "COVID-19 Support Kit" containing daily supplies. Based on employees' active participation, we make and hand out the kit in as many as the number of assistive device recipients.

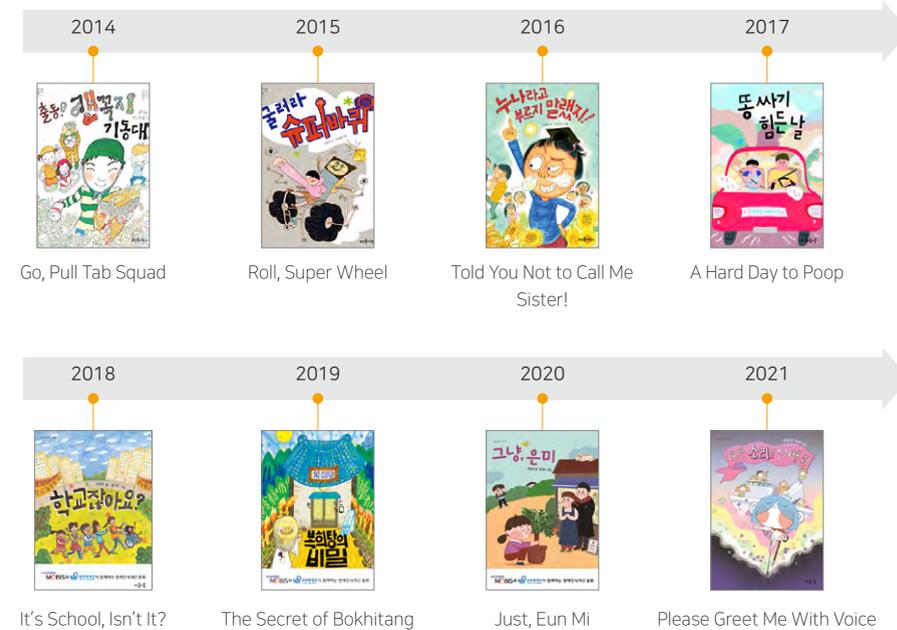


\* Employees' volunteer service to make the COVID-19 Support Kit

### Publishing and Distributing Children's Books to Improve Awareness of People with Disabilities

Hyundai Mobis publishes children's books to raise awareness of disabilities in order to resolve the prejudice on people with disabilities, which is still widespread in society. We have published children's books for eight years since 2014. "Please Greet Me With Voice" was published in 2021, and 3,500 books were distributed for free to local children's centers, centers for the disabled, and public children's libraries across the country.

#### Publishing Children's Books to Raise Awareness of the Disabled



### 3) GREEN MOVE



Hyundai Mobis, together with stakeholders, is striving to grow as an eco-friendly company by performing resource circulation activities through cooperation with social enterprises. We also focus on restoring the natural habitats of animals and plants by creating large-scale forests in local communities to improve biodiversity and protect the ecological environment and health.

- 15 Promote sustainable forest management
- 12 Strive to reduce waste through reuse and recycling

#### Afforesting the Meer Forest

To preserve and restore resources and develop local communities for future generations, Hyundai Mobis, through cooperation with Jincheon County and National Nature Trust, built the eco-friendly Meer Forest over an area of 108 ha in Chopyeong-myeon, Jincheon-gun. Consisting of six thematic forests created over ten years since 2012, Meer Forest offers a natural forest ecosystem with artificial elements kept to a minimum.

A number of environmental experience programs are provided in the forest, including: "Forest Walk," a tour of the forest guided by a forest expounder; "Marsh Ecosystem Experience," an environmental training program for children; and "Hyundai Mobis Meer Forest Concert," a music concert held against the backdrop of Chopyeongho Lake to promote the cultural development of the area. The number of visitors to Meer Forest increased from 190,000 in 2010 to around 300,000 in 2021. As such, the forest is also contributing to the economic development of the local communities. In addition, Meer Forest is registered as a social contribution-type forest carbon offset project, producing a carbon offset effect of 31 tons a year.

As of the end of 2021, Meer Forest consists of the Natural Ecosystem Training Center, an outdoor music hall, an ecological marsh, and the Meditation Forest Trail. Having been operated for ten years since its establishment, forest management and operation will be transferred to Jincheon County in 2022.

#### Holding the Good Cycling Campaign with Employees

Hyundai Mobis held the "Good Cycling Campaign with Employees" to create jobs for the disabled while expanding resource recycling through employees' voluntary donation of various articles. This campaign was implemented in a contactless manner wherein the employees donated articles online and the items were collected and delivered through parcel service to Good Will Store, a social enterprise.

Around 2,000 items collected for 3 weeks were sold at Good Will Store following a commercialization process. 100% of the proceeds were used in job creation for the disabled and wage payment to the employees with disabilities working at the store.

#### 4) NEXT MOVE



Hyundai Mobis contributes to fostering future scientific talents and enhancing pride among employees by encouraging their participation in social contribution activities using their job competencies.

**4** Contributing to fostering technological and scientific talents for the future

##### Junior Engineering Class

Since 2005, Hyundai Mobis has been operating the Junior Engineering Class, which offers training opportunities in the areas of new technology development not included in the regular school curriculum for children such as autonomous driving and fuel cell vehicles. In addition to the regular class sessions, we contribute to fostering future scientific talents by providing the "Mobile Junior Engineering Class" wherein training is offered in the form of a play using the science bus, hosting the "Young Engineering Leaders" contest to provide high school students with opportunities to participate in the Junior Engineering Class training volunteer service along with training support for autonomous vehicle model making, and holding the "Junior Engineering Class with Customers" offered to the children of customers attending motor shows and exhibitions.

In 2021, we started the "Junior Engineering After-school Class" to provide after-school training and care service to elementary school students. This program is aimed at helping children requiring care after school hours, such as those whose parents are both working, build interest in science and technology. It is specialized to students who can be excluded from experience-based training as the period of online class due to COVID-19 is extended. As of the end of 2021, 15,842 students, such as those from 88 schools across the country and children of employees, have attended the Junior Engineering Class.

##### Hosting the Autonomous Vehicle Contest

Hyundai Mobis held the "Autonomous Vehicle Contest of Young Engineering Leaders" to foster engineering talents to lead the future software technological fields, such as autonomous driving, robotics, and connectivity. In this contest, held for the third time since its launch in 2019, ten high school teams competed with one another following the nationwide preliminary rounds.

This program is held as part of Hyundai Mobis' NEXT MOVE "Young Engineering Leaders." Students selected as young engineering leaders are provided with an opportunity to perform as one-day teachers at the Junior Engineering Class to hold science classes targeting elementary school students by visiting local children's centers. It contributes to creating a virtuous cycle of volunteer service as high school students share the scientific knowledge they learned by participating in Hyundai Mobis' programs with children in their local communities.



\*Junior Engineering Class



\*Autonomous Vehicle Contest of Young Engineering Leaders

#### 5) HAPPY MOVE



Based on interest in social issues, Hyundai Mobis' employees perform a variety of self-initiative volunteer activities in contactless ways.

**1** Support resilience building of the poor and those in vulnerable situations

**15** Guarantee sustainability of the inland ecosystem

##### Employees' Volunteer Service

Hyundai Mobis' employees perform volunteer activities to share social values under the slogan "Joy of Sharing."

First, employees engage in "self-initiated volunteer service" by planning service activities themselves to resolve issues in their respective local communities. Our employees can plan various volunteer activities, such as talent donation, service donation, and technical learning, based on their individual knowledge, expertise, and talents by obtaining grants through a preliminary screening process. In 2021, 82 employees and their families and friends participated in the program.

Since 2021, amid the COVID-19 pandemic, Hyundai Mobis' employees have been making "contactless kit" during weekends, etc. together with their families. Through this contactless volunteer service program participated in by around 3,000 employees, the contactless kit consisting of a Braille card, a wooden air purifier, a tumbler, a leather pencil case, and a Braille calendar was made and donated to various local facilities in need of support.

In addition, Hyundai Mobis' employees voluntarily raised funds to support the living expenses and cost of school uniform purchase for children (elementary, middle, and high school students) of households suffering from difficulties due to death or severe traumatic injuries of parents caused by traffic accidents.

They also perform volunteer activities to restore the Han River ecosystem and reduce particulate matter generation by participating in "Creating the Hyundai Mobis Garden" together with families along Han River in the Icheon area.

Every month, Hyundai Mobis delivers news about the employees' volunteer activities through the "V Newsletter" on SNS to encourage the participation of a greater number of employees.

##### Expanding Contactless Social Contribution Activities

For neighbors in need of help and further isolated due to social distancing in the pandemic era, 1,360 employees of Hyundai Mobis participated in a program to make contactless donation items.

We also held the "Hyundai Mobis Donation Run" and "Donation Hiking" events through which our employees participated in donation while exercising to improve their health. The entire amount of entry fees for these "plogging" events, participated in by 3,000 employees and citizens by picking up wastes while trekking or jogging at the locations at their desired time, was donated to the Korea Disaster Relief Association, which used the fund to deliver face masks, sanitary items, and food to low-income families suffering from financial difficulties as well as medical professionals fighting against the pandemic.



\*Employees' self-initiated volunteer service activities



\*V Newsletter

## Promoting Global Social Contribution

Together with stakeholders, Hyundai Mobis is expanding the “Beautiful Companion” campaign to create sustainable future value across the globe. We are making continuous effort to expanding the six MOVEs social contribution program that reflects our vision and philosophy with regard to social responsibilities in China, Germany, Turkey, Czech Republic, Slovakia, and US. In 2021, our activities centered on donation as face-to-face activities were limited due to the spread of COVID-19. In the future, we will continue expanding social contribution in various ways, taking into consideration the needs of local communities as well as domestic and international environments that surround us.



### Global Social Contribution Activities

Country	Key Activities in 2021
China	<p>MBJ · Visiting and donating items to a rehabilitation center and a school for children with disabilities</p> <p>* Transparent umbrella donation to elementary school students in Shuyi, Beijing, and Junior Engineering Class in cooperation with Beijing Jiaotong University have been promoted since 2014 and 2015, respectively. In 2020 and 2021, however, these events were not held due to COVID-19.</p>
	<p>MTJ · Performing volunteer activities and donating food and living items to senior citizens' center in Tianjin</p>
	<p>MJS · Donating items to and performing volunteer activities for abandoned children, children of single parents, orphans, and impoverished senior citizens once a year</p>
	<p>MSH/MTCC · Donation and volunteer service at a senior citizens' center</p> <p>· Scholarship to middle school students from the vulnerable class twice a year</p>
	<p>MWX · Helping in film opening for the visually impaired at Wuxi Library once a year</p>
	<p>MTJ · Donation and volunteer service at a senior citizens' center through the “Love Campaign in the Month of Senior Citizens”</p>
India	<p>MIN · Donating COVID-19 prevention items (oxygen mask, X-ray unit, face mask, ambulance) to a national hospital, providing COVID-19-related support to children with disabilities</p>

Country	Key Activities in 2021
US	<p>MAL · Volunteer activity to visit and read children's books in school</p> <p>· Monetary donation for young local athletes</p> <p>· Participating in breast cancer prevention fund raising</p> <p>· Supporting ADPH vaccination center, a subsidiary of the State of Alabama health authorities</p>
	<p>MAL-GA · Voluntary donation for drunk driving and cancer prevention</p> <p>· Donating coats to local charity at year end, donating Christmas gifts to local families in difficult conditions</p> <p>· Providing food to shelter for the homeless</p> <p>· Participating in blood donation using a blood donation bus</p>
	<p>MNA/MTCA · Donating to a local Korean school and a nonprofit organization providing employment support to the jobless</p>
	<p>MPMI · Employees collecting books and toys, etc. and donating them to children from low-income families through Marines Toys for Tots</p>
	<p>MPA · Donating gifts to local families in the vulnerable class using the proceeds from the end-of-year charity event of employees</p> <p>· Donating gifts to the children's hospital in Orange County</p>
Mexico	<p>MMX · Modifying old desktop computers by removing the hard disk and installing monitor, etc. and donating them to schools and orphanages, etc.</p>
Brazil	<p>MBR · Supporting children from low-income families in need of dental treatment through Sorriso Cidadão, the mobile dental treatment service for children</p>
Canada	<p>MPCA · Employees voluntarily raising fund and delivering it to children suffering from diseases</p> <p>· Donating food to the low-income group through a food bank based on employees' voluntary participation at year end</p>
Czech Republic	<p>MCZ · Participating in “Slipper Day,” a national campaign to support children suffering from severe diseases (to spend a day wearing slippers, a symbol of students)</p> <p>· Annually supporting children who lost their parents in traffic accidents</p> <p>· Donating living supplies to senior citizens living alone in time for Christmas</p>
Slovakia	<p>MSK · Supporting the bereaved families of traffic accident victims</p> <p>· Supporting a local fire station with firefighting equipment (fire engine)</p>
Germany	<p>MPE-FRA · Picking up waste from a local forest by participating in World Clean-up Day</p> <p>· Female engineers of Hyundai Mobis providing mentoring service at the Women's Day event</p>
Belgium	<p>MPE-BE · Employing people with disabilities through collaboration with BEWEL, a company employing the disabled</p> <p>· Sponsoring the Korean school in Belgium</p> <p>· Donating chocolate to the food bank for Easter</p>
Spain	<p>MPE-ES · Donating toys, books, clothes, etc. to charity during Christmas season</p> <p>· Donating stationery to children from low-income families, making donations to an animal shelter</p>
Italy	<p>MPE-IT · Donating computers and web cams to households to assist in students' online class</p> <p>· Employing seven people from the vulnerable group, such as refugees who experienced war, through collaboration with the San Carlo Foundation (introduced through local TV)</p>
UK	<p>MPE-UK · Donating to a children's support group through charity drawing at year end</p> <p>· Donating 10% of vending machine revenues through an agreement with the supplier</p>

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Governance

Shareholder Value Creation  
Competitive Board  
Audit Body  
Risk Management  
Compliance Management

Key Learnings in 2021

Appendix

**Case** Operating a Farmers' Market through the One Company - One Village Campaign

Through the One Company - One Village campaign targeting rural villages near the Ulsan, Changwon, Jincheon, and Seosan factories, Hyundai Mobis opens a farmers' market carrying the agricultural products of the regions to provide local residents with a new sales route and employees with an opportunity to purchase high-quality products at lower prices. In 2021, over 3,000 employees visited the farmers' market selling "Buyu Persimmon" of Changwon and "Seosaeng Pear" of Ulsan and made purchases of approximately KRW 170 million. Hyundai Mobis will continue making effort to realize the value of shared growth with rural regions and local communities.



Donations and Participation in Associations

According to Article 31 of the Political Funds Act (Restrictions on Contributions), Hyundai Mobis strictly prohibits illegal contributions and financial support for political purposes to specific candidates, political parties, and any organizations that can affect the company's policy establishment. Political contributions include not only monetary contributions but also contribution of company's assets and employees' support in political activities.

While contributions and donations to industrial associations, etc. are permitted, we ensure that the fund is executed according to the urgency and appropriateness of the purpose. Contributions amounting to KRW 10 million or more are processed at the discretion of the CEO. In addition, quarterly performances are reported to the Corporate Sustainability Management Committee. Moreover, we present our annual budget plan to the BOD for approval.

Donations

**Total donation amount** (Unit: KRW million)



\* No donation for lobbying or to protecting powers or any similar organizations, regions, or national political campaigns/groups/candidates

Membership Payment to Key Organizations

(Unit: KRW)

Organization	2021
Korea Enterprises Federation	215,000,000
Hydrogen Convergence Alliance Propulsion Team	200,000,000
Seoul Chamber of Commerce and Industry	108,300,000
AUTO-ISAC	55,860,000
Car Connectivity Consortium	52,326,000
Korea Auto Industries Cooperative Association	12,000,000

## Information Security

Hyundai Mobis is operating the information security management system it established according to the information security-related statutes and internal regulations. In particular, having established the management system considering the individual characteristics of domestic and overseas business sites, we are enhancing the effectiveness of the information security system by periodically conducting inspections, improvements, and implementation management in administrative, physical, and technical security areas by business site.

To strengthen information security across the value chain, we also focus on improving the security level of our suppliers by inspecting their status of information security management for the handling of important information shared with them and providing them with the necessary guidance.

### Information Security Policy

Hyundai Mobis is implementing the information security regulations and policies it established in order to protect its important information (technological and management-related information, personal information, etc.) from various security threats. The division supervising information security across the company monitors the latest information security trend and regularly reviews information security policies that require establishment and revision. The policies are established and revised following review by the company-wide Information Security Committee with approval from the Chief Information Security Officer (CISO).

Our information security regulations target all employees, persons in contractual relationships, and those related to the company including visitors and apply to all tangible and intangible information assets owned and operated by the company.

### Hyundai Mobis' Information Security Management Policy

All employees of Hyundai Mobis recognize the **importance of information security** and comply with the security principles below to **prevent information leak**.

- 1 We comply with the company's information security regulations and policies.
- 2 We provide the company's information in a minimum scope required for the execution of operations.
- 3 We protect important information assets from illegal access and against leak.
- 4 We neither use the company's secrets for personal purposes nor disclose them without authorization.
- 5 We meet the legal requirements for information security and fulfill our social responsibilities.

### Protecting National Core Technologies

Illegal leak and misuse of national core technologies can wield a significantly negative impact on not only the respective companies but also national competitiveness. As a company possessing future mobility-related national core technologies, Hyundai Mobis has established a national core technology management system considering the characteristics of each element, such as technology, assets, and personnel, abiding by related statutes including the Act on the Prevention of Divulgence and Protection of Industrial Technology.

We provide training specializing in core technology protection to employees handling national core technologies as frequently as necessary and examine the appropriateness of our core technology protection system annually. We are also making all-out efforts to protect national core technologies by operating a consultative body with related divisions and securing expertise.

### Personal Information Security

The personal information of customers and employees is one of the most important targets of security. As the Chief Privacy Officer (CPO) and the division supervising information security handle the supervision and control of personal information abuse and leak, Hyundai Mobis strictly manages personal information for protection.

In the divisions handling personal information, only the designated persons can use the information solely for operating purposes according to the principles and procedures. Personal information collection is conducted after obtaining consent from the information subjects based on clear notification as to the purpose of information collection, collection items, retention period, information provision to a third party, etc. In addition, the collected information is securely managed using various technical protection measures including encryption and hacking prevention plans. Information subjects can request the change and deletion of their information at any time to the personal information handling divisions.



### Information Security Management Certification

Hyundai Mobis acquired ISO 27001, an international standard for information security management system, and TISAX (Trusted Information Security Assessment Exchange) certification of the German Association of the Automotive Industry (VDA) for major domestic and overseas business sites. We also internally apply security measures equivalent to a certification to other business sites. We have received verification on the appropriateness of security level for our information security management system and activities as well as protection of parts for new vehicles and developed vehicles. We are striving to improve the information security level in each business site through periodic re-examination.



ISO 27001

Three domestic  
R&D centers

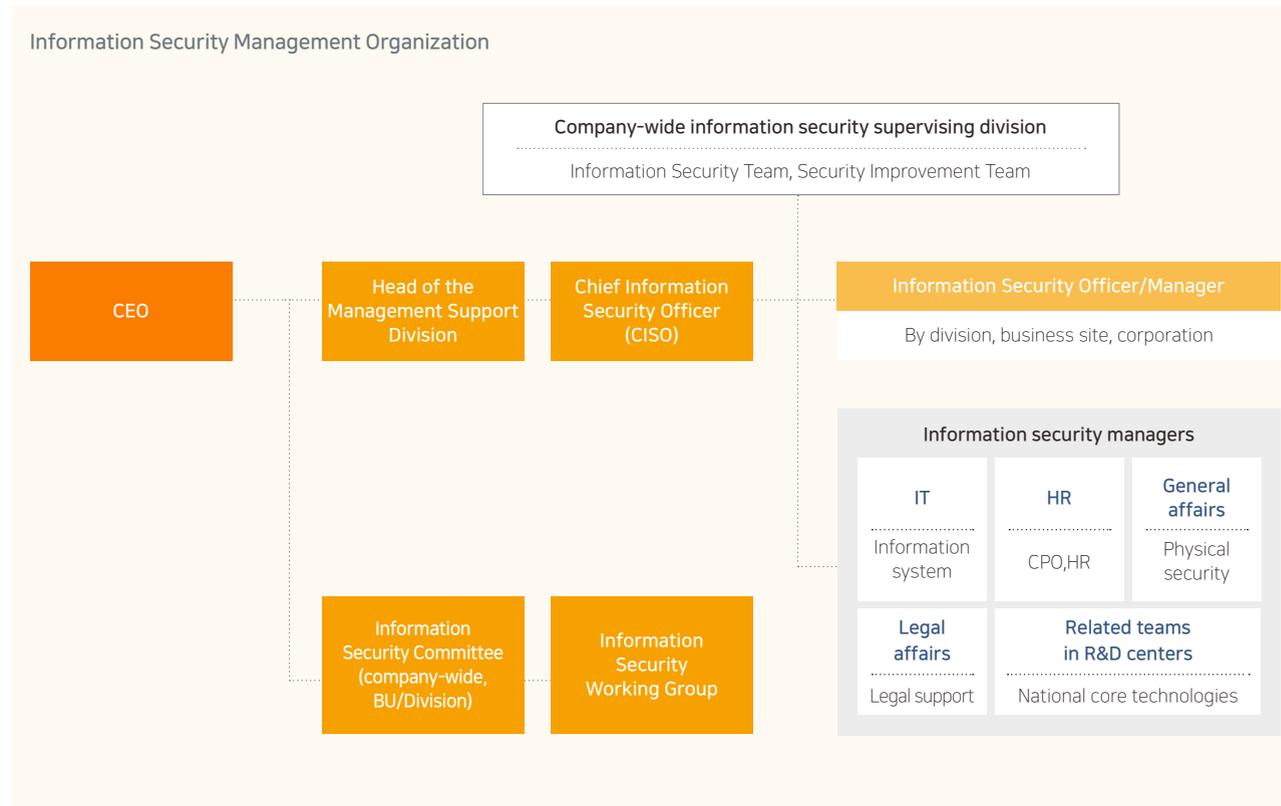


TISAX

11 domestic and overseas  
major business sites

## Information Security Governance

Hyundai Mobis is systematically conducting information security by forming company-wide and divisional organizations dedicated to security management and appointing the Chief Information Security Officer (CISO) and Chief Privacy Officer supervising domestic and overseas business sites. In addition, information security-related inspection results and issues are reported regularly and on a non-regular basis according to our information security policy through the company-wide Information Security Committee operation.



## Security/IT Incident Response

To respond to security and IT incidents, Hyundai Mobis defines the incident types and scopes and detects and consequently blocks abnormal signs at an earlier stage through preventive activities and by using related systems. Having established a plan for response and recovery by incident level with consideration given to the impact on our businesses and according to damage scenarios, we are strengthening our response capacity by holding regular simulation training sessions.

In the case of damage or leak incident concerning our important information assets, such as leak of trade secrets, core technologies, and personal information or destruction of information processing system, we implement measures to minimize the damage by forming an accident response team led by the CISO and prepare fundamental solutions to prevent recurrence of the incident. In addition, we protect our systems from hacking attacks through unauthorized external network traffic by operating the 24/7 group security control service and prevent information leak through the operation of the Security Report Center.

## Emergency Response System for Business Continuity

Hyundai Mobis established a company-wide business continuity plan in preparation for emergency situations such as natural disasters. We prepared emergency plans according to business priorities in order to identify information security risks that can cause business suspension and ensure continuous operation and restoration of information systems in an emergency situation. Plans include backup and dispersed storage of important data as well as restoration of the data to the pre-disaster state.

## Effort for Strengthening Information Security

### Executing Regular Security Inspection

Hyundai Mobis conducts regular and special security inspections based on the information security regulations under the supervision of the CISO. The security inspection covers safety inspection on operating systems and infrastructure facilities, simulation system hacking, assessment on the appropriateness of life cycle personal information management (from collection to destruction), inspection of firewall rules, network scanning, and security level inspection of the production network.

Security inspections and audits are conducted according to the principles of independence and fairness; for any violations, follow-up measures such as personnel actions and operation improvement activities are taken depending on the gravity of the case.

### Establishing a Smart Security Environment

Hyundai Mobis established a next-generation security architecture based on cooperation and sharing, and it is effectively executing operations through the application of security policy and environmental improvement. Our next-generation security architecture maintains a security level that enables flexible response to external environments, which are undergoing various changes, such as diffusion and expansion of contactless work, telecommuting, and base office system.

### Improving Employees' Security Awareness

To improve employees' security awareness and prevent related accidents, Hyundai Mobis is performing various activities including collection of security pledge, regular training, and campaigns. While regularly inspecting our physical working environment and security management status by operating the monthly Information Security Day with the goal of autonomous compliance with security rules, we distribute information security training materials containing internal information security regulations and practical rules; thus emphasizing division-unit compliance with security rules. In addition, we are holding regular simulation training for response to malicious emails targeting domestic and overseas employees in order to bolster employees' competency in preventing and responding to ransomware damage, leak of important information, and financial fraud, etc. caused by malicious code infections. At the same time, we are improving employees' security awareness by awarding persons producing outstanding performances in security management and holding security campaigns as well as encouraging employees' interest and participation in such activities.



\* Information security activity

## Information Security Awareness Improvement Activities in 2021

Program	Program Overview	Performance in 2021
Company-wide compliance training (information security training)	Significance and importance of information security, trade secret security, personal information security, precautionary practices for security between operations	9,047 persons
Advanced information security training by position and duty	Training on unfair competition prevention and trade secret protection (SCM Division and experienced employees recruited)	198 persons
	Training on trade secret protection and document management security (domestic administrative positions)	7,848 persons
Information security promotional activities and Security Quiz	Information security trend, accident cases, security principles, legal compliance, Security Quiz, etc.	12 sessions (once a month), targeting all employees
Security Awards	Awarding ransomware prevention-related reporters (suspected malicious emails reported to the Information Security Team) Reporting internal security vulnerabilities	12 sessions (once a month), ten winners selected per event
Hacking simulation on internal operation system	Strengthening information leak risk prevention through inspection according to OWASP TOP10 and Hyundai Motor Group web application security guidelines	Inspection of 137 systems completed (planned inspections completed by 100%)
Ransomware prevention training	Strengthening the prevention of malicious code infection through malicious emails, deducting security points for the infected, and providing training on recurrence prevention	12 sessions (once a month), targeting all employees
Communication security inspection	Preventing illegal wiretapping in key internal facilities and photography of such	Total inspection on executive offices, meeting rooms, and executive vehicles of headquarters and R&D centers

## Strengthening Suppliers' Information Security Competency

To assist in improving suppliers' information security competency, Hyundai Mobis conducts written and on-site inspections on suppliers subject to inspection along with a comprehensive assessment. In 2021, we completed document inspection on 128 companies due to the impact of COVID-19. For areas requiring improvement, we checked the improvement results; for suppliers that had not successfully implemented improvement, we conducted intensive inspection by visiting the companies. In addition, we held quarterly information security meetings with major partners and provided consulting service to 22 of them to supplement insufficient areas by using the information support business system of the Korean Association for Industrial Technology.

**Environment**

Environmental Management  
Climate Change Response  
Circular Economy

**Social**

Sustainable Supply Chain  
Product Stewardship  
Protection of Basic Rights  
Employee Value Expansion  
Safety and Health  
Social Contribution and  
Community Engagement  
Information Security

**Governance**

Shareholder Value Creation  
Competitive Board  
Audit Body  
Risk Management  
Compliance Management

ESG Performance

# Governance

Shareholder Value  
Creation

Competitive  
Board

Audit Body

Risk  
Management

Compliance  
Management

## Key Performance



Established the  
company-wide  
ESG governance



Introduced the BOD  
performance assessment  
system



Awarded Best  
Anti-corruption Company  
by UNGC Korea

## Executive Message



[IR Officer]  
Managing Director  
Eui Sup Lee

### “Sound and transparent governance will be a solid foundation for sustainable management”

Under the goal of realizing sound and transparent governance, Hyundai Mobis has been continuously performing improvement activities to enhance shareholder value and improve the effectiveness of the BOD operation. With the BOD equipped with independence and expertise, we will communicate actively with various stakeholders and continue making utmost effort to achieve shared growth with them.



[Chief Compliance Officer]  
Managing Director  
Joon Woo Choe

### “DO THE RIGHT THING - COMPLIANCE FIRST!”

In all stakeholder relations, Hyundai Mobis sets compliance as the compulsory management philosophy and applies it as the highest value. We suggest the yardstick for correct value judgment through the Code of Conduct and Compliance Control Standard and perform various compliance activities such as training and campaign to ensure compliance. We will continue fulfilling our responsibilities and performing our role so that a compliance culture is established with individual members developing strong commitment to pursuing what is right.

# Governance



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**Social**

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Product Stewardship  
Protection of Basic Rights  
Employee Value Expansion  
Safety and Health  
Social Contribution and  
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Information Security

**Governance**

Shareholder Value Creation  
Competitive Board  
Audit Body  
Risk Management  
Compliance Management

Key Learnings in 2021

Appendix

## Shareholder Value Creation

### Shareholding and Capital Structure

Hyundai Mobis' majority shareholder is Kia Corp. with 16,427,072 common shares (shareholding ratio of 17.37%).

The total number of shares issued according to the Articles of Association of Hyundai Mobis is 275,000,000 common shares and 25,000,000 preferred shares. The total numbers of common and preferred shares issued as of the end of 2021 are 159,659,165 and 67,996, respectively.

Our treasury stock is 3,525,735 common shares, and the number of outstanding shares consists of 91,047,359 common shares and 3,974 preferred shares. For all common shares, one voting right is vested per share; equal voting right is guaranteed for all shareholders.

As for the change in our capital structure in 2021, the status of H GreenPower (formerly HL GreenPower) was changed to a subsidiary subject to consolidation as we took over the company's shares.

#### Stock Types and Voting Right

(Unit: Shares)

Category	Type	No. of Shares	Note
Total number of shares issued	Common shares	94,573,094	-
	Preferred shares	3,974	-
Shares without voting right	Common shares	3,525,735	Treasury stock
	Preferred shares	3,974	-

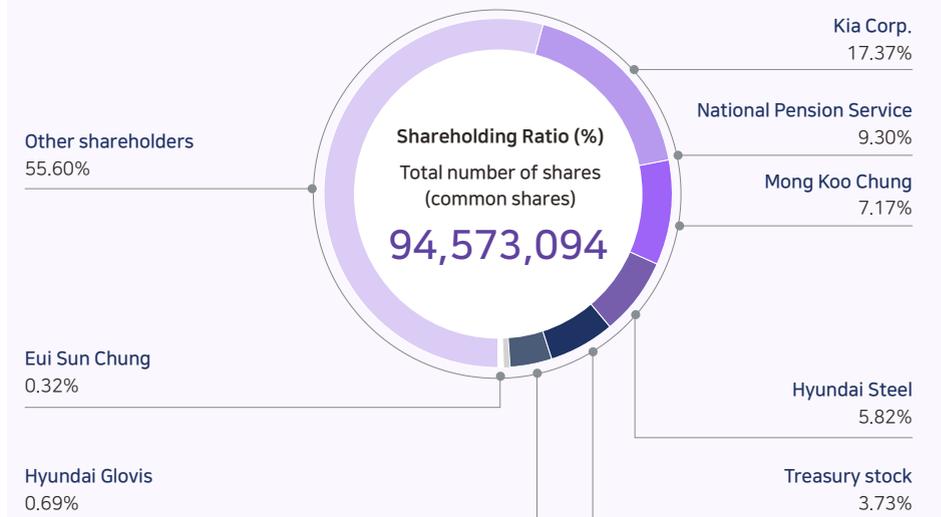
\*As of Dec. 31, 2021

#### Shareholdings of the Management

Name	Position	No. of Shares (Common Shares)	Shareholding Ratio (%)
Eui Sun Chung	President & CEO	303,759	0.32
Sung Hwan Cho	President & CEO	300	0.00
Hyung Keun Bae	Executive director	460	0.00
Young Suk Ko	Executive director	1000	0.00

\*As of Dec. 31, 2021

#### Shareholder Composition



\*As of Dec. 31, 2021

#### No. of Shares (Common Shares)

(Unit: Shares)

Kia Corp. 16,427,074	National Pension Service 8,799,423	Mong Koo Chung 6,778,966	Hyundai Steel 5,504,846
Treasury stock 3,525,735	Hyundai Glovis 656,293	Eui Sun Chung 303,759	Other shareholders 52,576,998

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## Shareholder-friendly Management

Hyundai Mobis established a consistent and predictable shareholder value enhancement policy in order to share management performances through active and organic communication with shareholders and investors. As part of our shareholder value enhancement policy, we conduct dividend payout and quarterly treasury stock purchase and retirement policy. In addition, we are actively implementing strategies to enhance shareholder value, such as investment in future industries (technologies) to increase corporate value and corporate governance improvement activities. The details and results of our activities are transparently disclosed to all stakeholders including shareholders.

Meanwhile, Hyundai Mobis makes regular conference calls and executes IR by visiting domestic and overseas organizations for the annual, first-quarter, semiannual, and third-quarter performance announcements around January, April, July, and October each year, respectively. We also hold unscheduled IR meetings and participate in conferences targeting domestic institutional investors and foreign investors, etc. (Since 2020, IR meetings through visitation had been replaced with conference calls due to COVID-19. With the trend of the pandemic gradually subsiding, we resumed IR through visitation in April 2022). As such, we strive to provide our shareholders with a sufficient amount of corporate information at the right time.

### Protecting Shareholders' Rights and Interest

According to the Corporate Governance Code, Hyundai Mobis serves a notice of the general shareholders' meeting convocation at least four weeks in advance. We also hold general shareholders' meetings on the dates when the meetings are not concentrated by following the general shareholders' meeting dispersion compliance program.

We introduced the electronic voting system to help shareholders sufficiently exercise their rights. In addition, we broadcast the meetings live through an online channel in order to expand communication with shareholders and minimize the risk posed by COVID-19. Moreover, to assist in the exercise of their rights by shareholders, we introduced the shadow voting recommendation system, delegating authority through direct issuance.

Dates of Notice and Convocation of General Shareholders' Meeting over Three Years

Year	Notice	Convocation
2020	2020.2.14	2020.3.18
2021	2021.2.18	2021.3.24
2022	2022.2.17	2022.3.23

### Shareholder Return Policy

In 2019, Hyundai Mobis, through the mid- to long-term shareholder return policy, announced quarterly dividend payout by 20 - 40% of the annually generated free cash flow until 2021. In addition, while purchasing treasury stock on a scale of KRW 1 trillion, we announced a plan to retire the newly purchased treasury stock by KRW 187.5 billion each year and approximately two million of the previously held shares, and we have been striving to implement the plan faithfully. Over the last three years, we paid KRW 1.1 trillion in dividends, maintained the dividend amount of KRW 4,000 per share based on common shares, purchased treasury stock by a total of KRW 985.9 billion, and retired approximately two million of the previously owned treasury shares in addition to the newly acquired shares by KRW 187.5 billion. By doing so, we faithfully implemented our shareholder return policy. In 2020, however, we did not execute quarterly dividend payouts considering the uncertainty of the estimated annual dividend amount due to the aftereffect of COVID-19. Despite the profit decrease due to COVID-19, we maintained the annual dividend amount per share (KRW 4,000 per common share) and resumed the quarterly payouts in 2021. As for the dividend payout at settlement, we were unable to secure the financial source in 2021 on the FCF base because our net operating capital increased as a result of semiconductor inventory securing and increase in inventory in transport due to logistics disruption; consequently, the FCF decreased sharply. Accordingly, considering the purpose of the

FCF-based dividend system to ensure the balanced execution of shareholder return and future investment, and to maintain a stable dividend payout level, the BOD, at the resolution for dividend at settlement for 2021, voted on a special dividend to restore the abnormally increased inventory to normal state in the pre-COVID-19 period. Therefore, the annual dividend payout per share (KRW 4,000 per common share) was maintained.

On February 17, 2022, we publicly announced the "Shareholder Value Enhancement Policy 2022." Our shareholder return policy for 2022 is aimed at continuous investment in the future and balanced shareholder return to achieve steady growth of corporate value. This encompasses a long-term price earnings ratio increase as well as dividend payout, treasury stock purchase, and retirement. We plan to operate the net profit-based payout ratio flexibly at around 20 - 30% by excluding the equity method. In addition, we will improve the stability and predictability of our dividend policy by maintaining the interim dividend payout level. Considering the uncertainties in the domestic and overseas management environment as of late, we will execute treasury stock purchase and retirement on a yearly basis. In 2022, we plan to purchase treasury stock by KRW 330 billion and retire the newly acquired shares by KRW 62.5 billion.

### Shareholder Return Performance

Category	2019	2020	2021
Dividend Policy	20 - 40% of free cash flow (FCF)	20 - 40% of free cash flow (FCF)	20 - 40% of free cash flow (FCF)
Dividend Payout	KRW 375 billion (KRW 4,000 per share)	KRW 370 billion (KRW 4,000 per share)	KRW 365 billion (KRW 4,000 per share)
Treasury Stock	Purchase: KRW 322.5 billion Retirement: KRW 473.6 billion	Purchase: KRW 234.8 billion Retirement: KRW 62.5 billion	Purchase: KRW 428.6 billion Retirement: KRW 62.5 billion
Shareholder Return Amount	KRW 697.5 billion	KRW 604.9 billion	KRW 793.5 billion
Shareholder Return Ratio	30.4%	39.6%	33.6%

\* Shareholder Return Amount = Dividend payout + treasury stock purchase  
\* Shareholder Return Ratio = (Dividend payout + treasury stock purchase) / current net profit

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Key Investments (Corporate Value creation)

Hyundai Mobis is committed to maximizing shareholder and investor value by transparently disclosing plans for cash use in the future and through active and successful planning and execution. In particular, according to the trend of electrification in the automotive industry, we will continue investing in related parts and extend electrification bases in Korea, such as Ulsan and Daegu, and overseas. In addition, we will secure competitiveness by continuously investing in future industries and technologies including semiconductor, software, and autonomous driving.

We will transparently share our performances with shareholders and investors while enhancing corporate value through continuous investment to secure future competitiveness.

Autonomous Driving

In September 2019, Hyundai Mobis, together with Hyundai Motor Company and Kia, entered into an agreement for a joint venture establishment with Aptiv, a US company equipped with world-class autonomous driving technologies. The joint venture will develop and distribute autonomous driving solutions in levels 4 - 5 and strive to strengthen competitiveness by securing autonomous driving technologies at an earlier phase. With Hyundai Motor Group and Aptiv holding 50% shares each, the scale of investment in the joint venture by Hyundai Mobis, as a consolidated company, is USD 400 million. Motional AD LCC, the joint venture, was officially established in March 2020 following approval from related authorities.

AAM (Advanced Air Mobility)

The Hyundai Motor Group, including Hyundai Mobis, established a corporation in the US (Supernal, LLC) and completed early-stage investment for the AAM (Advanced Air Mobility) business to lead the future mobility market. Supernal was established through investment by three companies: Hyundai Mobis, Hyundai Motor Company, and Kia. Hyundai Mobis holds 33.3% of shares. Officially launched in February 2021 following approval from related authorities, Supernal will lead AAM fuselage development and related businesses.

Robotics

To expand the robotics business competency of the Hyundai Motor Group, enter related new markets, and improve synergy with new businesses, Hyundai Mobis, Hyundai Motor Company, and Hyundai Glovis jointly acquired shares of Boston Dynamics, Inc. (80% in all).

Battery Cell

In June 2021, the Hyundai Motor Group, including Hyundai Mobis, entered into an agreement with LG Energy Solution, a company equipped with global top-tier battery cell technology, for the establishment of a joint venture (JV) in Indonesia for the purpose of improving competitiveness in the global electric vehicle market based on stable battery cell supply. With the production and distribution of electric vehicle battery cells as the main business, the joint venture will produce battery cells on a scale of 10 GWh per year. The products will be applied to the designated electric vehicle models from 2024. With the Hyundai Motor Group and LG Energy Solution holding 50% shares each, this joint venture was officially established in the third quarter of 2021. It is being operated based on an investment of USD 1.1 billion.

Battery System

On May 28, 2021, Hyundai Mobis, through the BOD resolution, decided to take over 49% shares of H GreenPower (formerly HL GreenPower) owned by LG Energy Solution in order to improve operation efficiency, such as for developing battery systems and securing production technologies, etc. With the takeover of the shares completed in July 2021, Hyundai Mobis' shareholding of H GreenPower currently stands at 100%.

In addition, for the purpose of expanding production volume and securing the financial integrity of H GreenPower, Hyundai Mobis' BOD resolved on an additional investment of KRW 50 billion in April 2022.

Strengthening Corporate Governance

Hyundai Mobis has been performing activities to improve corporate governance, such as introducing the electronic voting system, appointing independent directors through shareholder recommendation, and establishing the Corporate Governance Charter. In 2021, we made efforts to establish transparent governance by restructuring the Transparent Management Committee to the Corporate Sustainability Management Committee, appointing a female independent director, and having the BOD undergo external assessment. In March 2022, Professor Hwa Jin Kim of the Seoul National University School of Law, the most prestigious expert in the field of corporate governance, was appointed as an independent director to reaffirm our commitment to establishing a sound governance structure.

Such activities and performances by Hyundai Mobis are being shared with shareholders and investors through various channels including the regular NDR (non-deal roadshow).

Corporate Governance Strengthening activities

Date	Promotion Details
2020.02	Introduced the electronic voting system
2020.03	Appointed the independent director recommended by shareholders
2020.06	Published the Corporate Governance Report in English
2021.02	Established the Corporate Sustainability Management Committee - Strengthened ESG and occupational health and safety activities
2021.03	Appointed a female independent director
2021.03	Introduced the general shareholders' meeting live broadcast system
2021.08~11	Conducted independent assessment of the BOD
2022.03	Appointed a governance expert as independent director

## Competitive Board

### Board Structure

#### Board Structure Status

The Board of Directors (BOD), a standing decision-making body at the top of the management, represents a variety of stakeholders including shareholders. It plays the role of supervising and making decisions for important management issues related to the company's long-term growth. The BOD consists of nine members, five (55.6%, majority) of which are independent directors.

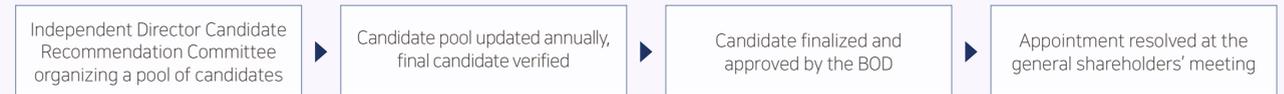
The Independent Director Candidate Recommendation Committee organizes a pool of candidates and finalizes a candidate through in-depth discussion. Then, following the BOD approval and resolution at the general shareholders' meeting, an independent director equipped with expertise is appointed. The candidate pool is annually updated through internal and external reviews.

Meanwhile, to enhance the independence of directors and their representation of shareholders, we prepared a system for appointing independent directors through recommendation by shareholders, i.e., appointing a candidate recommended by shareholders as one of the five independent directors. Under this system, we receive a recommendation of candidates from various shareholders and assess the candidates by organizing an independent external advisory group consisting of three members who do not have any conflict of interest. Based on the assessment result, one candidate is finalized by the Committee. Then, the appointment of the candidate as an independent director is determined through the BOD approval and resolution at the general shareholders' meeting. In March 2020, Independent Director Young Chang was appointed according to the process above under the system of independent director appointment through shareholder recommendation.

As such, Hyundai Mobis takes sufficient measures to ensure fairness and independence in the process of candidate recommendation and director appointment. We will continue exerting our best effort for the development of shareholders and the company by attentively listening to the opinions of our shareholders and stakeholders.

#### Independent Director Election Process

##### 1. Appointment through the Independent Director Candidate Recommendation Committee



##### 2. Appointment through Shareholder Recommendation



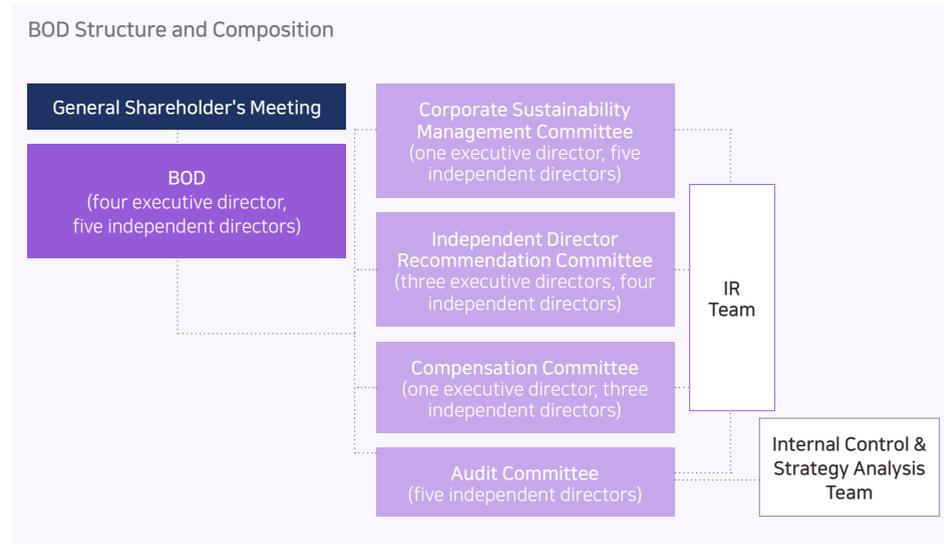
#### Board Structure

Type	Name	Date of Birth	Field of Expertise	Date of Appointment	Tenure	Designation Reasons	Career Highlights
Executive director	Eui Sun Chung (male)	1970.10	Management/ Business strategy	Mar. 2002	3 years	Appointed for his expertise in the implementation of responsible management of Hyundai Mobis and Hyundai Motor Group to present the vision for leading the autonomous driving, electrification, and future mobility market	Current) Chairman of the Hyundai Motor Group Current) CEO of Hyundai Motor Company, Hyundai Mobis
Executive director (Chairperson of the BOD)	Sung Hwan Cho (male)	1961.10	Management/ technology/ Business strategy	Mar. 2021	3 years	Appointed as CEO based on experience and expertise in the fields of R&D and electrical parts with qualifications and capabilities to drive technological innovation and competitiveness in new business development	Current) President & CEO of Hyundai Mobis Current) President of the Korea Association of Autonomous Mobility Industry
Executive director	Hyung Keun Bae (male)	1965.04	Planning/Finance	Mar. 2019	3 years	Expected to contribute to realizing Hyundai Mobis' vision based on extensive experiences and expertise in planning and finance gained while working at Hyundai Motor Company and Hyundai Mobis	Current) Head of the Finance Division (Vice President) of Hyundai Mobis Former) Head of the Corporate Strategy Department (Executive Director) of Hyundai Motor Company
Executive director	Young Suk Ko (male)	1971.11	Planning/Business strategy	Mar. 2021	3 years	Appointed as planning expert to establish inorganic growth strategies for Hyundai Mobis	Current) Head of the R&D Planning Division (Managing Director) of Hyundai Mobis Current) FMT Manager, Hyundai Mobis Former) IR Manager, Hyundai Mobis
Independent director	Young Chang (male)	1961.10	Finance/Accounting/ Financial affairs	Mar. 2020	3 years	Appointed as an expert capable of serving as a bridge between the shareholders and the company based on extensive experiences and insight in the automotive industry and financial field	Current) CIO/CEO of Young&Co Former) Branch Manager and Research Head of UBS Securities Seoul Office
Independent director	Dae Soo Kim (male)	1962.03	Operation management/SCM/ Risk management	Mar. 2018	3 years	Appointed as an expert capable of suggesting the company's strategic directivity based on insight on production management and supply chain	Current) Professor of Business Administration, Korea University Former) President of the Korea Production and Operation Management Society Former) President of the Korea Association of Procurement and Supply Management
Independent director	Jina Kang (female)	1967.08	Technology management/ Management innovation strategy	Mar. 2021	3 years	Appointed as an expert in technological management and management innovation strategy to contribute to developing new R&D and innovation strategies	Current) Professor, Seoul National University College of Engineering Current) Founding Director, The Korean Association of Mobility Studies Current) Vice President, Korean Society of Strategic Management
Independent director	Karl-Thomas Neumann (male)	1961.04	Management/ Technology strategy	Mar. 2019	3 years	Appointed as an expert capable of suggesting sustainable growth strategies based on extensive experiences and knowledge in corporate finance and investment	Current) Founder & CEO of KTN GmbH Former) CEO of OPEL, Continental, VW China
Independent director	Hwa Jin Kim (male)	1960.08	ESG/Compliance	Mar. 2022	3 years	Appointed as an expert to contribute to establishing sound governance based on extensive experiences and expertise in the field of corporate governance	Current) Professor, Seoul National University School of Law Current) Chairperson of the Proxy Voting Committee, Korea Corporate Governance Service

\* As of March 23, 2022

\* Director Brian D.Jones resigned as of March 2022 due to the expiration of term

## Committees under BOD



Category	Director	Committees under BOD			
		Corporate Sustainability Management Committee	Independent Director Candidate Recommendation Committee	Compensation Committee	Audit Committee
Executive director	Eui Sun Chung		○		
	Sung Hwan Cho	○	○		
	Hyung Keun Bae		○	○	
	Young Suk Ko				
Independent director	Young Chang	○			●
	Dae Soo Kim	●	○	○	○
	Jina Kang	○	●		○
	Karl-Thomas Neumann	○	○	○	○
	Hwa Jin Kim	○	○	●	○

\* As of March 23, 2022

## Corporate Sustainability Management Committee

On March 17, 2017, Hyundai Mobis restructured the Ethics Committee of the BOD to the Transparent Management Committee and promoted shareholder value enhancement and protection of shareholders' rights and interest by adding deliberation on the protection of shareholder rights and interest to the existing internal trade transparency and ethical management activities. On February 18, 2021, we again restructured the Transparent Management Committee to the Corporate Sustainability Management Committee for the purpose of strengthening risk management in relation to occupational safety and health and fatal accidents in addition to comprehensive management and improvement of the ESG system. The Corporate Sustainability Management Committee develops policies and performs various activities for the protection of shareholder rights and interest, ESG management, and safety, health and environmental management, while continuously striving for the expansion of stakeholder communication and strengthening the transparency of the BOD. It also plays an important role in creating a sustainable future of Hyundai Mobis by sharing the company's growth strategies with shareholders.

In detail, the Committee deliberates on key management issues of Hyundai Mobis, appoints officer in charge of protection of shareholder rights and interest, receives reports on the activities of the officer, and discusses the company's ESG activities and strategies. In addition, the Corporate Sustainability Management Committee inspects and supervises the status of compliance program implementation, transactions between parties with special interest, and establishment and revision of policies related to ethical management and social contribution and Code of Ethics, etc. The Committee consists of five independent directors and one executive director. With independent directors constituting the majority of the members, the independence of the Committee's activities is guaranteed. While all members of the Transparent Management Committee were independent directors, the CEO was added to the members of the Corporate Sustainability Management Committee in order to stress the importance of ESG management and ensure efficient support. In 2021, The Corporate Sustainability Management Committee held ten meetings (including two meetings of the Transparent Management Committee).

## Independent Director Candidate Recommendation Committee

The Independent Director Candidate Recommendation Committee selects persons conforming to the interest of the company and shareholders, etc. as candidates for independent directors according to a fair and transparent process and recommends candidates after fairly verifying their qualifications as required by related statutes and Committee regulations. As of March 2022, the Committee consists of three executive directors and four independent directors including one foreign independent director. With independent directors constituting the majority of the members, the independence of the Committee is guaranteed. The Committee continues striving to secure a pool of a wide range of candidates. In March 2021 and March 2022, the Committee recommended Jina Kang, a female expert, and Hwa Jin Kim, a governance expert, as independent directors to strengthen the BOD diversity and expertise, respectively. In addition, to appoint an independent director, it submits the "statement of independent director qualifications," which specifies the independence and legally required qualifications of the candidate, to the Korea Exchange for third-party verification on the conformity of the candidate. In 2021, the Independent Director Candidate Recommendation Committee held three meetings.

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Compensation Committee

The Compensation Committee plays the role of assisting the management in producing outstanding performances as well as in the company's development through the implementation of a sound management compensation system. To this end, it resolves matters related to the upper limit of remuneration for the registered directors to be submitted at the general shareholders' meeting as well as establishment, revision, and abolition of regulations on the remuneration of registered directors.

The Compensation Committee consists of one executive director and three independent directors or majority of the members. In the automotive industry, large-scale investments are being executed in new technologies for the future as represented by MECA (Mobility, Electrification, Connectivity, Autonomous). As such, a management compensation system that actively encourages such investment is necessary.

Accordingly, the Committee was organized with an executive director as one of the members to increase the Committee's understanding of the company's management environment, helping design an appropriate management compensation system. In 2021, an independent director was added to the members to enhance the independence of the Committee, which held a total of six meetings.

In April 2021, the Committee discussed the BOD operation assessment plan (draft), which is to have the BOD assessed by an external agency for advancement, and finalized the plan in August. Based on the plan, the external BOD assessment was held between August and November 2021, and the result was reported to the BOD in December.

Audit Committee

As a supervisory organization for the company's overall management, the Audit Committee monitors transparency and fairness in the company's business operations and accounting and guarantees the independent activities of the independent directors. To play this role, the Committee has the authority and responsibility to request business-related reports to the BOD and investigate the company's operation status and property conditions.

To secure the independence of the Audit Committee, Committee operation and member appointment are possible only when the requirements for the members' qualifications and job relevance are met.

Independent Director Jina Kang was separately appointed as a member of the Audit Committee at the general shareholders' meeting in March 2021. All members of the Audit Committee, including the chairperson, are independent directors and one of them is a financial expert (Chairperson Young Chang). In 2021, the Committee held seven meetings in all and deliberated on items including settlement performance, key management plans, and assessment of internal accounting control system operation.

BOD Independence, Expertise, and Diversity

Independence

Hyundai Mobis operates the BOD as follows in order to guarantee its independence.

1 Organize the Audit Committee, which supervises the company's overall management, entirely with independent directors

2 Organize the Corporate Sustainability Management Committee, the Independent Director Candidate Recommendation Committee, and the Compensation Committee with independent directors constituting the majority of the members

3 Appoint independent directors as the chairpersons of each committee

According to the industry's characteristics, the BOD is chaired by the CEO. To strengthen the BOD's independence, which can be impeded by the CEO concurrently holding the position of chairperson, the company's key management details are reported to the respective subcommittees to enable in-depth discussion before the BOD resolution. According to the regulations, the notification must be made at least seven days prior to the BOD convocation.

For the appointment of independent directors, one of the five independent directors is appointed through shareholder recommendation in order to "enhance the independence and shareholder representativeness of independent directors." In addition, in accordance with the Commercial Act that prohibits directors from concurrently holding positions as director, executive, or auditor in two or more companies other than Hyundai Mobis, a listed company, the Independent Director Candidate Recommendation Committee thoroughly reviews during its candidate recommendation process the candidates with regard to their status of holding positions in other companies and possibility of conflict of interest. In addition, it applies and complies with stricter criteria than the Commercial Act according to the Guidelines for Independent Director Appointment. This is aimed at strengthening the BOD's function of keeping the management in check and establishing sound governance by organizing the BOD with a number of independent directors whose independence in decision making is ensured.

Guidelines for Independent Director Appointment

- 1 A person who is not a current director, executive officer, or employee of Hyundai Mobis or has not served as executive director, auditor, executive officer, or employee within the past two years
- 2 A person who is not the major shareholder or spouse, child, or parent of the major shareholder
- 3 In case the major shareholder is a company, a person who is not a director, an auditor, an executive officer, or an employee of the company
- 4 A person who is not the spouse, child, or parent of a director, an auditor, or an executive officer
- 5 A person who is not a director, an auditor, an executive officer, or an employee of the parent company of subsidiary

- 6 A person who is not a director, an auditor, an executive officer, or an employee of a company with considerable interests in Hyundai Mobis
- 7 A person who is not a director, an auditor, an executive officer, or an employee of a company where directors, executive officers, and employees of Hyundai Mobis serve as directors or executive officers
- 8 A person who is not in a personal business relationship with Hyundai Mobis or its management
- 9 A person who does not have interest in nonprofit organizations receiving donations in considerable amounts from Hyundai Mobis

## Expertise and Diversity

To secure competitiveness in governance by appointing independent directors who have expertise in various fields, the Hyundai Mobis Articles of Association and Corporate Governance Charter stipulate the appointment of persons with expertise in business administration, economic, legal, and other related technological fields. In addition, for director appointment, focus is placed on preventing favoritism toward specific backgrounds and job groups by taking into consideration diversity factors including gender, race or ethnicity, nationality, etc.

Hyundai Mobis BOD is composed of Independent Director Dae Soo Kim (Professor of business administration, Korea University), Independent Director Young Chang (CEO/CIO of Young&Co), Independent Director Jina Kang (Professor, Seoul National University College of Engineering), Independent Director Karl-Thomas Neumann (Founder and CEO of KTN GmbH), and Independent Director Hwa Jin Kim (Professor, Seoul National University School of Law).

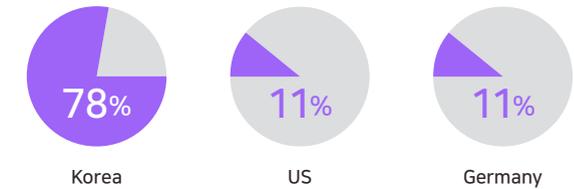
Having served as the President of Korea Production and Operation Management Society and Korea Association of Procurement and Supply Management, Independent Director Dae Soo Kim is an expert in the field of operation risk management (production and logistics supply chain management). Independent Director Young Chang is an expert in the field of finance and accounting, having served as the Branch Manager and Research Head of UBS Securities Seoul Office. Independent Director Jina Kang, a technological management and business administration innovation strategy expert, served as a member of the editorial board for "Mobility Review" of the Academic Society of Korea Mobility and for "Korean Management Review" of the Korean Academic Society of Business Administration. Independent Director Karl-Thomas Neumann, who served as CEO of Continental, VW China, Opel, is an expert in the field of future mobility management and technologies. Lastly, Independent Director Hwa Jin Kim is an ESG and governance expert, having served as the governance and is serving as the Chairperson of the Proxy Voting Committee of Korea and Founding President of the Seoul Corporate Governance Forum.

The BOD is not only composed of experts in various fields ranging from the automotive industry to academe, business administration, technology, and finance but also includes independent directors of different nationalities, such as one American (Dae Soo Kim) and one German (Karl-Thomas Neumann). In March 2012, the BOD stipulated the prohibition of the BOD organization with directors of a specific gender by amending the Articles of Association (Article 29).

### Ratio of Female Director



### Ratio of Directors by Nationality



## Board Operation and Assessment

### BOD Activities and Effectiveness

Hyundai Mobis holds regular and special BOD meetings. The regular BOD meeting is held quarterly, and the special meeting is convened when necessary. The BOD meeting is convened by the chairperson or the CEO, and the time, location, and items on the agenda of the meeting must be notified to each director by at least seven days prior to the meeting. The convocation process, however, can be omitted if consented to by all directors. In 2021, the fifth regular meeting and the sixth special meeting were held; through the meetings, 42 resolutions were reached and nine reports were made.

The resolutions include the company's key management plans, shareholder value enhancement policy, appointment of the CEO and BOD chairperson, and revision of the operating regulations. No items on the agenda were rejected or left pending. In addition, details related to the internal accounting control system, result of compliance activities and governance NDR, and key management issues were reported.

Meanwhile, with respect to the pre-communication between the external auditors and the Audit Committee, meetings attended only by the independent directors are held. This quarterly meeting is convened before the Audit Committee meeting. In 2021, it was held four times.

### BOD Meeting Attendance

Eui Sun Chung	Sung Hwan Cho	Hyung Keun Bae	Young Suk Ko	Young Chang	Dae Soo Kim	Jina Kang	Brian D. Jones	Karl-Thomas Neumann
45%	100%	100%	100%	100%	100%	100%	100%	82%

\* As of 12/31/2021

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BOD Meetings and Agendas in 2021

Meeting	Date	Agenda
1st Regular	2021.01.28	(Deliberation) · Approval on the financial result in 2020 and business plans of 2021
		(Deliberation) · Approval on treasury stock retirement
		(Report) · Report on 2020 operational status of Internal Control over Financial Reporting · Report on the result of compliance activities
2nd Regular	2021.02.18	(Deliberation) · Approval on shareholder value enhancement policy in 2021
		(Deliberation) · Approval on the electronic voting system introduction
		(Deliberation) · Approval on the convocation of, report to, and agenda for the 44th general shareholders' meeting
1st Special	2021.03.04	(Deliberation) · Approval on the change of financial statements for the 44th period
2nd Special	2021.03.24	(Deliberation) · CEO appointment
		(Deliberation) · Appointment of the BOD chairperson
		(Deliberation) · Revision of the detailed operating regulations of the Corporate Sustainability Management Committee
3rd Regular	2021.04.23	(Deliberation) · Chief compliance officer appointment
		(Report) · Report on the financial result for the first quarter of 2021
3rd Special	2021.05.28	(Deliberation) · Approval on investment in other companies
		(Deliberation) · Approval on corporate bond issuance limit
4th Regular	2021.07.23	(Deliberation) · Approval on the 45th quarterly dividend payout (Report) · Report on the financial result for the first half of 2021
4th Special	2021.08.20	(Deliberation) · Approval on large-scale investment
		(Deliberation) · Approval on treasury stock disposal - performance-based incentive payment
		(Report) · Report on the financial result for the first half of 2021
5th Regular	2021.10.28	(Deliberation) · Approval on large-scale internal transaction of goods and services in the first quarter of 2022
		(Deliberation) · Approval on treasury stock retirement
		(Report) · Report on the governance NDR result
5th Special	2021.11.18	(Report) · Report on key management issues
6th Special	2021.12.10	(Deliberation) · Decision on the base date for the 45th financial dividend payout

BOD Assessment

In 2021, Hyundai Mobis conducted assessment on the activities of the BOD and subcommittees for the first time (professional and objective assessment through Egon Zehnder in various areas including the BOD composition, regulations, and operating efficiency). This was aimed at promoting substantial governance improvement by collecting expert opinions and success cases through the external assessment and establishing the BOD efficiency improvement and advancement roadmap based on internal discussion. The external BOD assessment was conducted from August to November 2021, and the result was reported to the BOD on December 10, 2021.

Hyundai Mobis is planning independent assessment in a three-year cycle starting 2021. In the years when the assessment is not conducted, we plan to focus on internal assessment and improvement activities. In 2022, an internal BOD assessment will be conducted.



BOD Training

Hyundai Mobis establishes annual training plans for various areas with the goal of strengthening the expertise of independent directors and helping them build related knowledge. In 2021 in particular, we provided training on market forecast in regions where we perform business activities according to changes in the international political and economic environments as well as management risk control and future industrial directivity by inviting outside experts. We also organize regular seminars as well as visits to domestic and overseas factories and R&D centers targeting the newly appointed independent directors to share with them and aid in their understanding of the detailed status of the company.

Date	Description
2021.02.18	Understanding the robot industry and Boston Dynamics
2021.03.04	Outlook on the Middle East following the election of US President Biden
2021.05.10	Field trip to major business sites for the newly appointed independent directors - Visits to R&D centers in the US and report on the R&D status
2021.06.08	Field trip to major business sites for the newly appointed independent directors - Visit to Chungju Factory and report on electrification/hydrogen industry status
2021.07.07	Global OE business strategy
2021.07.23	Introduction to the internal accounting control system and roles of the Audit Committee
2021.08.20	Blockchain and digital asset revolution
2021.12.10	2022 Economic Outlook seminar

## BOD Compensation

The compensation of registered directors (including independent directors) is decided at the general shareholders' meeting according to Article 388 of the Commercial Act and Hyundai Mobis Articles of Association. Remuneration is paid to individual directors according to the regulations on compensation of registered directors established by the Compensation Committee within the limit for director compensation approved at the general shareholders' meeting. The key content of the regulations is as follows:

### Key Articles of the Regulations on the Payment of Compensation for the Registered Directors

- The compensation for an executive director shall consist of annual salary, incentive based on business performance ("performance-based incentive") and severance pay.
- Compensation for independent directors shall be based on job allowance.
- The annual salary for an executive director shall consist of a single pay, and shall be determined in overall consideration of the director's grade, position, expertise, duties performed, and contributions to the Company.
- The Company may pay performance-based incentives to its executive directors within the amount of 0-100% of their annual salary in overall consideration of the business results, including sales and operating profit, the executive directors' performance and contribution as the management body, internal and external business environment, etc.
- The Company shall pay 100% of the relevant fixed amounts to the independent directors without any separate incentives linked to business performance.

For the Chief Executive Officer (CEO), remuneration is determined through performance assessment. As the impact of ESG management on the corporate sustainability increases, the result of the KCGS (Korea Corporate Governance Service) assessment, which is an ESG assessment, is included in the CEO's KPI index.

## BOD Compensation

BOD Compensation	Number of Persons	Total Compensation (KRW million)	Average Compensation per Person (KRW million)
executive director	4	5,848 <sup>1)</sup>	1,462
Independent Director	5	527	105

1) Total Compensation does not include the KRW 29,763 million retirement pay executed in accordance with the regulations on retirement pay execution for executives. The regulations have been approved at the general shareholders' meeting according to Article 388 of the Commercial Act and Article 41 of the Articles of Association, so the upper limit for director remuneration does not apply.

\* Number of Persons is based on registered executives at the end of 2021, and Total Compensation is the amount paid to registered executives until 2021. Average Remuneration per Person was calculated by simple averaging of the total remuneration with the number of persons as of the end of 2021. Total Remuneration is the amount of income under the Income Tax Act paid to registered directors, independent directors, and Audit Committee members as registered executives who were incumbent or retired in the respective business year according to Article 159 of the Act on Financial Investment Services and Capital Markets Act and Article 168 of its Enforcement Decree.

## Individual Compensation Amounts

Name	Position	Total Compensation (KRW million)
Mong Koo Chung	Honorary President	472 <sup>1)</sup>
Eui Sun Chung	President & CEO	3,375
Sung Hwan Cho	President & CEO	992 <sup>2)</sup>
Hyung Keun Bae	Executive Director	663
Young Suk Ko	Executive Director	429

- 1) Total compensation does not include the KRW 29,763 million retirement pay executed in accordance with the regulations on retirement pay execution for executives. The regulations have been approved at the general shareholders' meeting according to Article 388 of the Commercial Act and Article 41 of the Articles of Association, so the upper limit for director compensation does not apply. CEO Chung Kook Park, who retired on March 24, 2021, was holding a concurrent position at Hyundai Motor Company, an affiliate, so he was not paid by Hyundai Mobis.
- 2) Compensation paid according to the appointment of new registered executive (Mar. 24, 2021)

## CEO Compensation

Compensation	Unit	2021
Total CEO Compensation (including retirement income)	KRW	1,178,193,262
Median Annual Salary of All Employees Excluding the CEO	KRW	99,918,927
Ratio of CEO Compensation to the Median Annual Salary of All Employees Excluding the CEO	KRW	11.8
Mean Annual Salary of All Employees Excluding the CEO	KRW	94,212,807
Ratio of CEO Compensation to the Mean Annual Salary of All Employees Excluding the CEO	KRW	12.5

## Operating Audit Body

### Internal Audit Body



#### Audit Committee

The key operation and authority of the Hyundai Mobis Audit Committee are to audit the company's accounting and business operations. The Audit Committee consists of experts in finance and accounting fields. All members of the Committee, including the chairperson, are independent directors. The Audit Committee members are selected fairly according to Article 415 and Article 542 of the Commercial Act, a related statute.

The Audit Committee receives reports on the company operation on a regular basis from the Internal Control & Strategy Analysis Team-which operates the internal accounting control system-and the Business Improvement Group, which handles overall business audit operations. The IR Team supports the Committee operation. To ensure successful audit operation, the Committee can request business-related reports and investigate the company's property situations at any time. In addition, if necessary for the operation, it can request related employees and external auditors to attend the meeting and also seek consulting with experts, etc. at the company's expense.

In 2021, the Audit Committee held seven meetings in all wherein the company's settlement result, approval of key management plans, and operation status of internal accounting control system were reported and discussed. In addition, the Chairperson of the Audit Committee, external auditors, and executive officer in charge of finance inspected risks concerning key issues by holding quarterly face-to-face meetings. The Audit Committee members received training for a total of six times, during which they understood the latest trends and shared opinions about the role of the Audit Committee.

#### Audit Committee Composition

Criteria for Member Selection	Status
To consist of at least three directors	Five directors
At least two thirds of the members to be independent directors	All independent directors
One or more members to be an accounting/financial expert	Director Young Chang
Committee to be chaired by an independent director	Director Young Chang
Qualification requirements, such as not being in a special relationship with the majority shareholder	N/A

#### Audit Committee Training

Date	Training Provided by	Target	Content
2021.01.25	Accounting Team, Internal Control & Strategy Analysis Team, KPMG Samjong Corp.	Young Chang (Chairperson of the Audit Committee)	<ul style="list-style-type: none"> <li>Impact of changed criteria for deferred income tax recognition in accounting</li> <li>Quarterly face-to-face meeting of the Chairperson of the Audit Committee, finance executives, and external auditors</li> </ul>
2021.04.21	Accounting Team, Internal Control & Strategy Analysis Team, KPMG Samjong Corp.	Young Chang (Chairperson of the Audit Committee)	<ul style="list-style-type: none"> <li>Plans for securing objectivity in accordance with the transition to the designated audit system and designated auditor</li> <li>Quarterly face-to-face meeting of the Chairperson of the Audit Committee, finance executives, and external auditors</li> </ul>
2021.07.20	Accounting Team, Internal Control & Strategy Analysis Team, KPMG Samjong Corp.	Young Chang (Chairperson of the Audit Committee)	<ul style="list-style-type: none"> <li>Key inspection items of 2021 announced by the Financial Supervisory Service</li> <li>Quarterly face-to-face meeting of the Chairperson of the Audit Committee, finance executives, and external auditors</li> </ul>
2021.07.23	Samil PwC	All independent directors	<ul style="list-style-type: none"> <li>Introduction to the internal accounting control system and roles of the Audit Committee</li> </ul>
2021.10.25	Accounting Team, Internal Control & Strategy Analysis Team, KPMG Samjong Corp.	Young Chang (Chairperson of the Audit Committee)	<ul style="list-style-type: none"> <li>Risk of financial restatements due to auditor change</li> <li>Quarterly face-to-face meeting of the Chairperson of the Audit Committee, finance executives, and external auditors</li> </ul>
2021.12.10	KPMG Samjong Corp.	All independent directors	<ul style="list-style-type: none"> <li>Role and regulations of the Audit Committee</li> </ul>

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Operating the Internal Accounting Control System

The internal accounting control system is a series of processes to design and continuously perform control activities to secure the reliability of financial statements. It contributes to reducing potential distortions of financial statements and enhancing corporate accounting transparency through an audit on the process of financial statement preparation in addition to an audit on the existing financial statements. According to the Act on External Audit of Stock Companies (hereinafter "External Audit Act"), Hyundai Mobis, as a stock-listed corporation, is liable to implement an internal accounting control system. Accordingly, we are operating an internal accounting control system according to the internal accounting control system standard rule and our internal accounting control regulations/guidelines and support the Audit Committee in independently and objectively assessing the internal accounting control system's operating status. In addition, we periodically report to the shareholders, the BOD, and the Audit Committee that the company's internal accounting control system has been effectively designed and is successfully operated. External auditors presented the opinion of "appropriate" through their audit on our internal accounting control system.

External Audit Body

Hyundai Mobis provides stakeholders with reliable accounting information at the right time based on regular audits conducted by independent external auditors. External auditors are selected fairly according to the internal appointment regulations covering the stage of reception of proposals up to the assessment with approval from the Audit Committee. From FY 2019 to FY 2021, KPMG Samjong Corp. was selected as an external auditor. The auditor's opinion for the 45th period (RY2021) was "appropriate"; no subsidiary received an opinion other than appropriate from external auditors during the last three business years. For FY2022, EY was selected as the external auditor of Hyundai Mobis under the periodic designation system. According to the new External Audit Act, the periodic designation system was introduced in 2018 for the purpose of securing the independence of auditors and improving audit quality. The period of audit service agreement with the designated auditor, as per the External Audit Act, is from 2022 to 2024.



Audit Service Agreement

(Unit: KRW million, hours)

Business Year	Auditor	Content	Details of Audit Agreement		Details of Audit Execution	
			Service cost	Time	Service cost	Time
Period 45 (FY2021)	KPMG Samjong Corp.	·Review separate and consolidated semiannual financial statements, audit separate and consolidated financial statements ·Audit the internal accounting control system	1,840	20,000	1,840	20,035
Period 44 (FY2020)	KPMG Samjong Corp.	·Review separate and consolidated semiannual financial statements, audit separate and consolidated financial statements ·Audit the internal accounting control system	1,697	18,855	1,697	19,032
Period 43 (FY2019)	KPMG Samjong Corp.	·Review separate and consolidated semiannual financial statements, audit separate and consolidated financial statements ·Audit the internal accounting control system	1,275	14,658	1,275	15,383

Auditor's Opinion

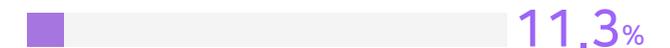
Business Year	Auditor	Auditor's Opinion	Key Audit Operation
Period 45 (FY2021)	KPMG Samjong Corp.	Appropriate	Assessment of Hyundai Autonet goodwill impairment loss
Period 44 (FY2020)	KPMG Samjong Corp.	Appropriate	Assessment of cash generation unit impairment loss on MCQ and MBR subsidiaries
Period 43 (FY2019)	KPMG Samjong Corp.	Appropriate	Assessment of cash generation unit impairment loss on subsidiaries

Non-audit Service Agreement

(Unit: KRW million)

Business Year	Date	Content	Period	Service Cost
Period 45 (FY2021)	2021.04.09	Advise on the establishment of a global integrated management system	2021.04.13~2021.11.04	160
	2021.07.16	Advise on tax affairs	2021.07.16~2022.03.31	48
Period 44 (FY2020)	2020.01.01	Maintain the FTA system	2020.01.01~2020.12.31	144
	2020.08.31	Advise on tax affairs	2020.08.31~2021.04.30	53
Period 43 (FY2019)	2019.01.01	Maintain the FTA system	2019.01.01~2019.12.31	144
	2019.06.28	Advise on tax affairs	2019.06.28~2020.02.28	53

Ratio of Compensation for Non-Audit services compared to Audit Service Cost



## Risk Management

### Strengthening Risk Governance

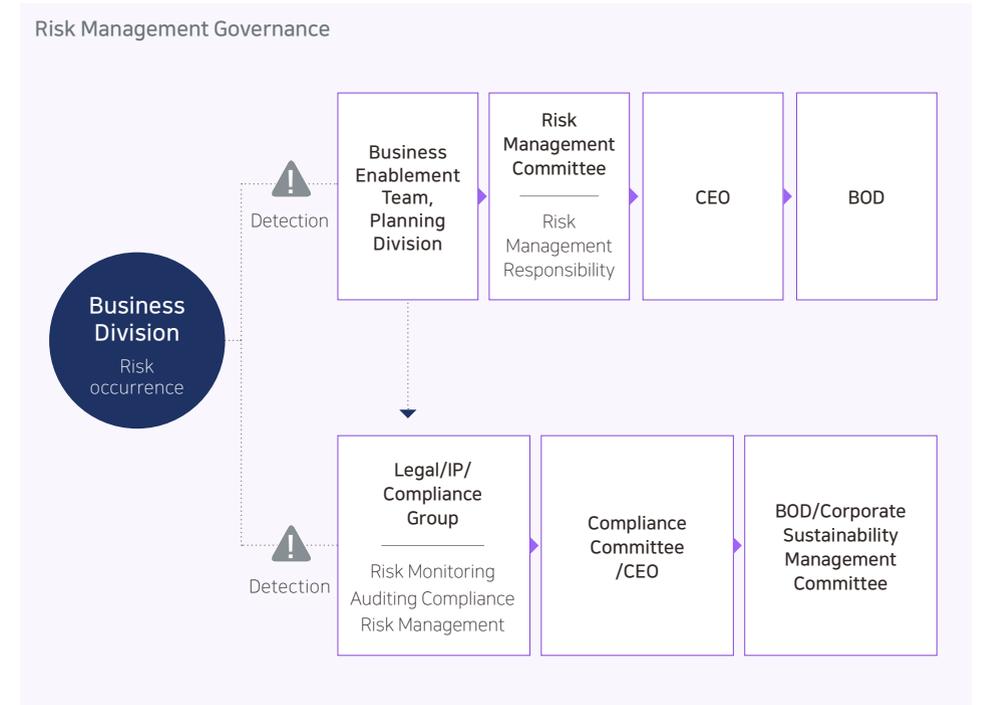
Hyundai Mobis operates the company-wide Risk Management Committee centering on the Business Enablement Team of the Planning Division, and the head of the Planning Division chairs the Risk Management Committee (CRO, Chief Risk Officer). The Committee has secured expertise and prompt response capacity by dividing risks into 16 categories and establishing a response system for each of the risk types. The head of each division is responsible for risk management in the respective division, and the CRO handles company-wide risk management. The Business Division and Business Enablement Team respond to risks by swiftly reporting the identified risks to the management through the Risk Management Committee. In addition, by operating the compliance risk management process, they monitor the suitability of the risk management activities of each division and response strategies of the Risk Management Committee and supervise the efficiency of the risk management system.

Meanwhile, we are holding monthly meetings of various consultative bodies to inspect the risk status in order to identify risk factors and seek response strategies and implementation plans. At the CoE meeting<sup>1)</sup> chaired by the CEO, the results of inspection on domestic and overseas management environments and risks by division are shared, and the response plans are discussed. At the meeting of the heads of planning and management teams by division chaired by the head of the Planning Division, potential risks are shared, and plans for joint response with the relevant divisions to critical risks that are difficult to handle by any single organization alone are discussed. The Risk Management Council, which consists of persons in charge of risk management in each division, inspects the risk monitoring results.

By operating the consultative bodies for risk management, we, through a process of reviewing the impact and urgency (likelihood) of risk factors, define the factors with high level of importance as core risks to be focused on and intensively managed. We have established a system for swift response to the trade environment and global environmental regulations by adding and changing core risk management items annually, and we are strengthening monitoring of potential risks that can affect our business.

With the global management environment changing rapidly, we hold monthly meetings of the Risk Management Committee led by the CEO to discuss key risk management areas and preemptive company-wide response activities(As of the report submission date).

1) CoE (Center of Excellence) Meeting: Discussing company-wide strategies and issues



## Risk Management by Type

### Risk Management Plans

Hyundai Mobis categorized risks into four types and implements integrated risk management through close cooperation among the relevant organizations. We preemptively manage all types of risk through monthly monitoring. For unpredictable risks such as natural disasters, we keep the impact of and damages from such risks to a minimum by establishing scenarios for each situation.

Hyundai Mobis defines core and potential risk factors by analyzing the severity, likelihood, and impact of risk factors and derive and consequently respond intensively to risk management items. We determine if a core risk factor has been resolved or if it persists by inspecting the management promotion status annually. We also upgrade the response system or strengthen monitoring on potential risks that can affect our business.

We are managing the risk factors we have designated, such as climate change response, safety management, talent securing, and response to logistics and trade environment as our key risks in 2022. At the same time, we manage the core issues identified through materiality assessment and major factors arising from business operation as risks.

### Risk Types

Type	Definition	Detailed Types
Uncontrollable	Environmental risk	Uncertainties and possibility of loss caused by external factors, such as macroeconomic environment surrounding the company as well as customers, competitors, policies, and regulations
Controllable	Financial risk	Possibility of financial loss caused by financial market, credit rating, and liquidity fluctuations
	Strategic risk	Possibility of loss when a strategy selected by the company fails to produce an appropriate outcome
	Operating risk	Possibility of loss caused by inappropriate business process and operation as well as organizational/HR /system inefficiencies and system errors, etc.
		Automotive industry trend/OE policies (production, investment, etc.)/politics by region/economic trend/policies/legal trend/international trade environment/disasters (natural disasters, fire, etc.)
		Financial market risk (exchange rate, stock price, etc.)/liquidity risk/credit risk
		Business strategy risk (M&A, partnership, etc.)/products- technological strategy risk Contract winning strategy risk/key investment risk/base operation strategy risk (localization, etc.)
		Issues in development project management/production management/sales activities for contract winning/quality (recall, campaign, etc.)/business partners and SCM/organization- HR- labor affairs/asset management (inventory, facilities, buildings, etc.)/security management/IT system management/compliance-related proceedings and disputes/Government affairs, public and press reputation

### Core Risks

Category	Description	Impact on Business	Response/Management
External environmental risk	Health risk according to the pandemic prolongation	<ul style="list-style-type: none"> <li>➕ Pursue a new operating method</li> <li>➖ Lower productivity due to lack of production personnel and business site closure, etc.</li> </ul>	<ul style="list-style-type: none"> <li>· Establish a contactless working environment (expanding telecommuting and videoconference system)</li> <li>· Establish an emergency response scenario and secure resilience strategy</li> </ul>
	Logistics risk according to global vessel shortage/increase in freight cost	<ul style="list-style-type: none"> <li>➖ Increase product cost and lower price competitiveness due to additional and emergency logistics cost</li> </ul>	<ul style="list-style-type: none"> <li>· Adjust the production schedule → establish strategies for early shipment of products (emergency goods) and localization expansion</li> </ul>
	ESG policy/regulation tightening	<ul style="list-style-type: none"> <li>➕ Improve ESG competency and secure competitive edge</li> <li>➖ Fail to attract investments/orders, suffer from external reputation damage due to failure in meeting stakeholder expectations</li> </ul>	<ul style="list-style-type: none"> <li>· Strengthen the company-wide ESG governance system and promote ESG strategy integration within the mid- to long-term management strategy</li> <li>· Upgrade policies and processes to global standard</li> </ul>
Financial risk	Intensification of exchange rate volatility due to global economic and political uncertainties	<ul style="list-style-type: none"> <li>➖ Decrease in collection amount according to decrease in sales and increase in procurement cost due to insufficient dollar liquidity within the region</li> </ul>	<ul style="list-style-type: none"> <li>· Conduct full-time monitoring, secure credit line in advance, and secure the minimum available liquidity by corporation</li> </ul>
Strategic risk	Increased necessity of portfolio shift to eco-friendly products	<ul style="list-style-type: none"> <li>➕ Secure competitive edge in the eco-friendly vehicle market through R&amp;D competency improvement and preemptive response</li> <li>➖ Increase related investment cost, cause management risk</li> </ul>	<ul style="list-style-type: none"> <li>· Secure production capacity earlier by extending the eco-friendly vehicle electrification production line and operating new manufacturing sites</li> <li>· Strengthen monitoring of domestic and overseas trends of regulations and global OE policies and link the result to mid- to long-term strategies (GHG reduction goal, investment plan, etc.)</li> </ul>
Operating risk	Supply shortage and parts supply risk caused by increased global semiconductor demand	<ul style="list-style-type: none"> <li>➕ Expand potential business opportunities through internal semiconductor development</li> <li>➖ Reduce sales volume and lower customer satisfaction as product is not supplied at the right time</li> </ul>	<ul style="list-style-type: none"> <li>· Promote cooperation for automotive semiconductor localization</li> <li>· Develop replacements and substitute suppliers and optimize global production volume distribution</li> </ul>
	Risk of serious accidents caused by safety incidents	<ul style="list-style-type: none"> <li>➖ Cause management risk and lower reputation according to the enforcement of the Serious Accidents Punishment Act</li> </ul>	<ul style="list-style-type: none"> <li>· Establish and actively implement measures to prevent serious accidents and internalize the safety-first culture</li> </ul>
	Human capital-related risk caused by technological transition and brain drain	<ul style="list-style-type: none"> <li>➖ Increase uncertainties for growth and future competency building</li> </ul>	<ul style="list-style-type: none"> <li>· Diversify the strategy of securing excellent software talents</li> <li>· Develop human capital to emphasize innovation and growth, strengthen the compensation system</li> </ul>

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Emerging Risk Management

Definition/Description of Risk	Impact on Business	Response Plan
Climate Change Regulation/Risk Management		
<p>The scope of regulations for climate change is expanding to include the entire value chain under the goal of net-zero 2050 across the globe. Businesses' obligation to disclose climate activities is also being expanded centering on the UK, Japan, US, etc. Businesses in today's world are being demanded to develop effective and tangible climate change response competency, and this has been established as a core element directly related to investment inducement and credit rating, etc.</p> <p>Climate change-related regulations, which can be further tightened in the future, will both increase the management burden on businesses and cause enormous operating risk and asset loss when response to the transition and physical risks fails.</p>	<ul style="list-style-type: none"> <li>· Encourage the exercise of shareholder rights and correction plan implementation in relation to climate change response efforts, such as Say on Climate</li> <li>· Increase the necessity of portfolio change according to the green taxonomy activation</li> <li>· Lower business competitiveness and damage corporate brand image, such as failing to win contracts when measures for climate change are not available</li> <li>· Impede production and cause risk in material procurement, etc. due to extreme weather conditions</li> </ul>	<ul style="list-style-type: none"> <li>· Promote the plan to implement net-zero strategies based on a science based reduction goal (promoting renewable energy transition in business sites, strengthening Scope 3 management, etc.) and actively communicate with stakeholders about the progress</li> <li>· Upgrade the physical scenario analysis by taking into consideration various factors, such as water risk in business sites, extreme weather trend, and asset types</li> </ul>
Changes in the Global Supply Chain Policy		
<p>Uncertainties and instability in the global supply chain are amplifying due to composite factors including containment policy according to the COVID-19 pandemic (circulatory factors) and global supply chain restructuring in line with protectionism (structural factors).</p> <p>While the circulatory factors are expected to be resolved in a relatively shorter period of time, structural factors can pose the risk of extending the bottleneck effect in the supply of raw materials and commodities over the mid- to long-term.</p>	<ul style="list-style-type: none"> <li>· Increase cost for response to tightened entry barrier and retention of high tariff according to the US - China trade conflict and promotion of policies by individual countries to focus on their respective industries</li> <li>· Strengthen trade regulations in accordance with climate change response policies (Carbon Border Adjustment Tax, Digital Product Passport, etc.)</li> <li>· Necessity to change the traditional supply routine which is based on price competitiveness [stable supply based on the "best cost" rather than the "lowest cost" required]</li> </ul>	<ul style="list-style-type: none"> <li>· Reestablish the production base/role by country, expand supply chain resilience through re-localization, etc.</li> <li>· Establish the product life cycle assessment (LCA) system</li> </ul>

Tax Transparency

Tax Policy

Observing tax laws and faithfully paying various taxes are some of the social responsibilities of a business to contribute to enhancing customer interest and national finance. Hyundai Mobis, based on thorough understanding of the domestic and overseas tax laws, processes all transactions occurring in Korea and abroad according to the statutes and regulations specified by tax authorities of the respective countries. We are also improving tax fairness by faithfully performing the taxpayer's duty of submitting data as required under the tax-related laws of each country. In addition, we are clearly defining the roles and responsibilities of each person in charge of tax report and payment operations and, if the statutory interpretation is unclear, derive an optimal response plan based on the opinions of external tax experts, such as accounting firms.

Fulfilling the Duty to Pay Taxes Overseas

For international transactions with overseas companies, Hyundai Mobis implements the transfer price policy based on the Arm's Length Principle that conforms to the domestic tax law and the Transfer Pricing Guidelines. Accordingly, we prohibit the use of a tax structure without management entity and transfer of values created in areas to which a low tax rate is applied.

We also prohibit, as a rule, offshore tax evasion using tax havens and tax evasion through international transactions. In addition, we support our global business sites in faithfully performing the duty of paying income taxes and submitting various data required by tax authorities according to the tax laws of the respective countries.

# Compliance Management

## Compliance Management System

Compliance Management



### Compliance Governance

Hyundai Mobis practices compliance management in order to achieve sustainability. To this end, we are operating systems for compliance and ethical management that we have established in our relationship with all stakeholders including employees, customers, and suppliers. Starting with the establishment of the Compliance Control Standard (2012), which is the base regulation for compliance control environment establishment and compliance activities, we established the Hyundai Mobis Code of Conduct and Code of Conduct for Business Partners to integrate the Ethics Charter, Code of Conduct for Ethical Practice, and Global Compliance Guidelines in the second half of 2019, and we have been using them as the yardstick for value judgment and behaviors of all domestic and overseas employees and suppliers.

In addition, we established the Compliance Committee consisting of the management under the goal of complying with the principle of "Tone at the Top" and spreading a compliance culture, and we are managing related risks, sharing compliance inspection results and improvement ideas, and discussing other compliance-related issues through the Committee.

The organization in charge of compliance activities and the Chief Compliance Officer (CCO) review the company-wide plans for compliance support activities and implementation of the plans as well as employees' compliance with the Code of Ethics and transparently report the results to the BOD. We also introduced the "Compliance Partner" system and designated teams in charge of 13 key compliance areas of the company including safety, labor affairs, and information protection to ensure successful compliance activities. For our overseas business sites, we appoint compliance officers (CPOs) by corporation to perform compliance activities based on close communication with the compliance organization of the headquarters. Moreover, we are holding regular meetings of the consultative bodies with key affiliates and subsidiaries. As such, Hyundai Mobis is making efforts to creating a compliance environment/culture.



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Policy and Risk Management

Compliance Management Regulations

Hyundai Mobis, as the base of compliance management, established the "Hyundai Mobis Code of Conduct" as the highest regulation by which all employees (including those of overseas corporations and subsidiaries) are to make correct decisions regarding key risk areas of the company. In addition, based on the "Compliance Control Standard" established according to the Commercial Act, we appoint the Chief Compliance Officer to establish and operate a compliance control environment. We have also established the "Hyundai Mobis Regulatory Compliance" as the basis for compliance management system operation. Including these regulations, Hyundai Mobis is operating a comprehensive compliance regulation and guideline system covering the company's policies, regulations, and guidelines for key compliance areas.

In 2020, we revised the "Code of Conduct for Business Partners" by reflecting global compliance and ESG-related standards. In 2021, by organizing the "Compliance Community," we improved employees' approach to the company-wide compliance regulations and guidelines for application in employees' operations. Hyundai Mobis will continue establishing and revising regulations by reflecting domestic and international compliance trends.

Strengthening Corporate Ethics and Anti-corruption

Hyundai Mobis believes that corporate ethics and anti-corruption policies are the basis for its development into a sustainable company. To this end, we are striving to create a fair and transparent corporate culture so that we become a company that is trusted by all stakeholders. Hyundai Mobis' employees must avoid situations wherein their personal interest conflicts with that of the company during the course of business execution, reject unfair instructions and pressure that impede fairness in their job performance, and fulfill their duties in their respective positions and posts honestly and fairly according to the regulations.

Under the anti-corruption policy in particular, we prohibit all actions of employees seeking benefits from a third party by abusing their positions and authorities. Related acts of corruption include provision and receipt of economic benefits (bribe, rebate, etc.), or promise or suggestion of such acts that affect business operations or which are for the purpose of solidifying positions. Hyundai Mobis' corporate ethics and anti-corruption policies apply to the key stakeholders, not only the company's employees, but also those at domestic and overseas subsidiaries over which Hyundai Mobis has control, as well as joint ventures, suppliers, and agencies.

In 2022, we officially declared our commitment to anti-corruption by participating in the anti-corruption pledge at the BIS (Business Integrity Society) Summit of the UNGC Korea (UN Global Compact Korea), and we were named "Best Company in Anti-corruption" by UNGC Korea in recognition of our effort for the review of corruption risks over five years and ESG performances.

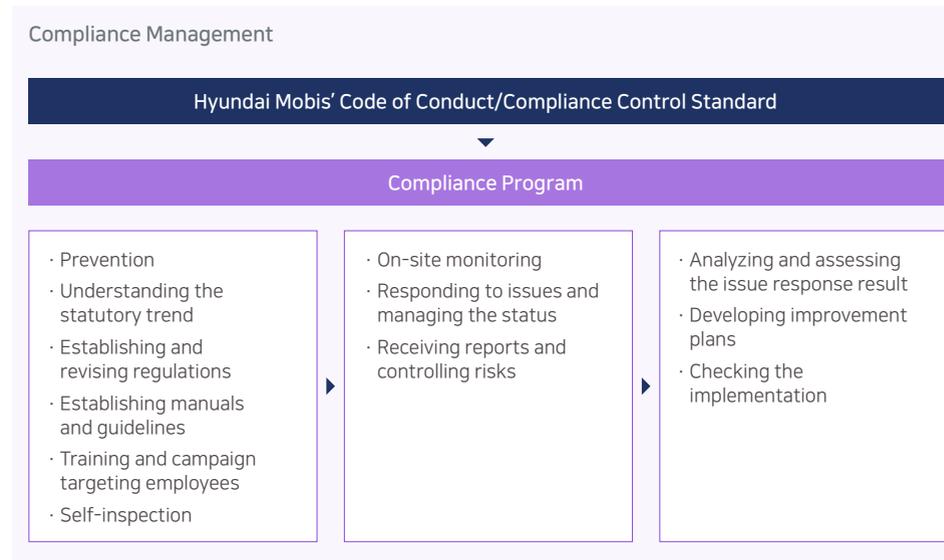


## Compliance Risk Management

Based on the compliance management system, Hyundai Mobis operates a risk management system covering the company and key stakeholders. Risk management covers all of the company's key compliance areas such as anti-corruption, safe environment, personal information protection, and fair trade. The scope of management is also expanding to power harassment prevention and company reputation risk management, whose importance is growing, in addition to the traditional management areas.

Meanwhile, we further strengthened our statutory response system in order to abide strictly by the laws of major countries. We identify the statutory establishment and amendment requirements by monitoring domestic and overseas trends and apply the result to our regulations. In addition, through cooperation with related divisions, we swiftly reflect them to the operation processes and products.

Hyundai Mobis performs various activities to increase effectiveness of risk management. In detail, we distribute compliance guidelines and checklist to employees, regularly inspect risk areas by conducting compliance surveys, etc., support improvement activities through coaching and seminars, hold meetings of the Committee with the management and consultative bodies of major divisions, and assess the appropriateness of internal transactions between affiliates by establishing a dedicated team. At the same time, for issues received through compliance report channels in operation at domestic and overseas corporations, we conduct risk management including implementation of inspection, improvement, and prevention.



## Operating Compliance Programs

### Creating a Compliance Culture

#### Compliance Pledge

Hyundai Mobis strives to create a transparent and fair corporate culture. We encourage our new employees to sign the compliance management pledge. The pledge encompasses the areas of fair trade, ethics and anti-corruption, information security, prohibition of acts causing conflicts of interest, and personal information protection. We also encourage our suppliers to comply with the Code of Conduct for Business Partners and participate in the compliance management pledge. At the same time, we apply a compliance level equivalent to our internal standard across the supply chain.

### Operating Compliance Training

Hyundai Mobis provides online and offline training to employees, both new (upon joining the company) and incumbent (once a year, including contract workers and dispatch workers) to promote employees' awareness of compliance management and reduce risks in advance. The training covers areas such as ethics and anti-corruption, human rights management, information protection, safety and environment, improvement of awareness of contract risks, prevention of workplace sexual harassment, which is compulsory training, and improvement of awareness of the disabled in the company as well as Hyundai Mobis' compliance management system (including the Code of Conduct).

We adhere to compliance and ethical management in all our work processes by sharing detailed regulations, guidelines, and specialized training based on case studies. We also provide compliance training to overseas corporations, suppliers, and distributors in order to prevent the possibility of corruption within the value chain. Hyundai Mobis will continue strengthening the training system for the practice of compliance management.

### Compliance Training for Employees

Program	Target	Performance in 2021
Training for compliance awareness and competency building in key areas <sup>1)</sup>	Basic (all employees) <sup>2)</sup>	9,047 persons
Compliance training for ethics and anti-corruption		3,079persons
Compliance training for fair trade and subcontracting		1,013persons
Compliance training for information protection and security		8,046persons
Compliance training for safety and environment	Advanced (divisions at customer contact point and persons in charge)	21persons
Compliance training for customs and taxes		3,815persons
Compliance training for intellectual property		1,851persons
Compliance training for legal and contract-related risks		324persons
Compliance training for human resources and labor affairs		383persons
Compliance training for disclosure		43persons
Compliance training for environmental law and regulations <sup>3)</sup>	Suppliers	383companies

1)Compliance management system (Code of Conduct), ethics and anti-corruption, human rights management (human rights protection policy, compliance with labor-related law, anti-discrimination, prohibition of acts to violate human rights, working environment improvement, etc.), workplace sexual harassment prevention, improvement of awareness of the disabled in the company, information protection, safe environment, improvement of awareness of contract risk

2)Excluding on-site/contract/dispatch workers

3)Subject suppliers

## Holding the Compliance Campaign

To spread the compliance management culture and enhance compliance awareness, Hyundai Mobis operates a number of compliance campaigns and programs targeting employees and other key stakeholders. In particular, we hold the “Holiday Compliance Campaign” during major holiday periods each year to distribute compliance guides to employees and operate a gratification report center. In addition, we request key stakeholders, such as suppliers and distributors, to cooperate with the company’s compliance policy by sending a guide letter.

In 2021, aside from regular activities to spread action rules to employees by key compliance area and have the compliance pledge signed by new employees and suppliers, we held the safety level improvement project declaration ceremony, started a compliance campaign for expatriates, and opened the compliance community and held a community activation event. Hyundai Mobis will continue planning and operating various campaigns and programs to spread the compliance culture.

## Operating a Report Channel (Whistleblowing)

Compliance Helpline was set up with the goal of contributing to Hyundai Mobis’ compliance management practice and realization of compliance and ethical values. It is operated through consignment to an independent external company to protect informants, and security technology so as not to leave IP information of informants is applied. We also strengthened accessibility to the system by providing various channels, such as not only computer but also mobile environment consisting of application and QR code.

Compliance Helpline users can choose to send reports either anonymously or under their names. The report and return of gifts received are made anonymously according to the operating purpose to “protect employees returning gifts.” In particular, Hyundai Mobis protects informants by implementing the policy of guaranteeing confidentiality, job security, and reduction of or exemption from liability. The details of reports can be accessed only by the respective informants and persons in charge of the operation. Following report handling according to the helpline operating process, the result is registered in the system. Users can then check the result through the system.



## Compliance Helpline



### Compliance report

#### [Report Type]

- Fair trade and subcontracting-related violations
- Unfair job performance and unfair benefit receipt and provision
- Human rights violation
- Distribution of gray parts
- Other unethical conducts

← Compliance report



### Report center for the return of gift, etc.

#### [Employees]

Report on the return of received gift, etc.

#### [Stakeholders]

Report on the collection of gift provided, etc.

← Report center for the return of gift, etc.

## Compliance Report Status

Report Type	Reports in 2021	Actions Taken (Punishment)
Fair trade/ subcontracting	90	Guide provided - 79/Not relevant to the company - 11
Report on gift return, etc.	12	Completion of return checked (not subject to punishment)

\*As the Compliance Helpline was established in 2022, the number of reports in 2021 is the number of reports collected through the Ethics and Anti-corruption Report and Counseling Center and Fair Trade Report and Counseling Center.

Letter to Stakeholders

Corporate Overview

Visioning  
Sustainability

ESG Performance

Environment

Environmental Management  
Climate Change Response  
Circular Economy

Social

Sustainable Supply Chain  
Product Stewardship  
Protection of Basic Rights  
Employee Value Expansion  
Safety and Health  
Social Contribution and  
Community Engagement  
Information Security

Governance

Shareholder Value Creation  
Competitive Board  
Audit Body  
Risk Management  
Compliance Management

Key Learnings in 2021

Appendix

Whistleblower Protection Policy

Hyundai Mobis protects whistle blowers according to the three principles of guaranteeing confidentiality, job security, and reduction of or exemption from liability. When a whistle blower reports any violations or irregularities involving himself/herself, it can be taken as a mitigating factor, and the whistle blower is not subjected to any disadvantages in career advancement due to such whistle blowing. In addition, we take appropriate measures when the whistle blower requests personnel measures, such as transfer at work out of fear of being placed at a disadvantage in personnel affairs.

<p><b>Confidentiality</b> </p> <p>We prohibit the act of disclosing or implying the identity of an informant without the informant's consent.</p>	<p><b>Job Security</b> </p> <p>We report any disadvantages or discriminations, such as disciplinary measures, inflicted by a respective department or in a transaction relationship, etc. by reason of report, statement, data submission, etc.</p>	<p><b>Liability Reduction or Exemption</b> </p> <p>In case negligence or error of a reporter is detected in relation to a report, punishment on the reporter can be reduced or waived.</p>
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Actions for Violation of Code of Ethics

Through the Code of Conduct and Employees' Code of Ethics, Hyundai Mobis presents the criteria for correct value judgment and conduct that must be followed in relation to job performance. In accordance with the criteria, we prohibit acts of demanding, receiving, or providing monetary benefits to and from stakeholders. Here, the term "stakeholders" includes employees, suppliers, government organizations, and agencies (third party, consultants), etc. that have business and operation-related interest with the company. In addition, the term "monetary benefits" encompasses gift of money and other articles, congratulatory and condolatory money, entertainment, and provision of convenience as well as unfair enrichment and solicitation that can damage fairness in job performance.

Bribery in particular, is subject to severe disciplinary action with no leniency permitted. Violations of the Code of Ethics as discovered through reporting and annual internal inspections are subject to disciplinary actions according to the Human Resources Management Regulations, and actions are taken according to the procedures specified in the Disciplinary Committee Regulations.

In 2021, 30 reports were received through the reporting channel ('Cyber Auditor'), and we took appropriate actions in relation to the reports.

Violation of Code of Ethics

Report Type	No. of Reports	Actions Taken
Employees	15	
Suppliers	5	17 cases of personnel measures <sup>1)</sup>
After-sales parts	4	8 cases of mutual agreement
CS	2	4 cases of internal training
Others	4	1 case of policy/system improvement
Total	30	

1) Violation Type: Corruption/bribery (3), negligence (2), power abuse (5), discrimination and harassment (3) (repetitive conducts included), no violation (7)

For reporting channel operation, informant protection, and handling of violations, Hyundai Mobis applies the following clauses to the "Hyundai Mobis Regulatory Compliance"

Article 13 (Operation of Internal Compliance Reporting/Reporting Channel)

1. CEO may install an internal tipping-off system that enables directly reporting to the compliance officer, etc. about the illegal or unfair business execution of executives and employees.
2. The compliance officer can request the relevant departments to take necessary measures for the operation of related channels so that various internal channels for reporting/tipping off related to compliance can be efficiently operated, and a new reporting/tip-off channel is established to respond to new compliance risks.
3. Anyone who receives or handles the whistle blower's tip off shall maintain the confidentiality of the whistle blower's personal information and details of the internal report.
4. Each compliance-related reporting/tip-off channel operation department may, if necessary for compliance risk management, share the relevant information with the compliance officer or request cooperation from the compliance officer to the extent that Paragraph 3 is not violated. The compliance support organization may request follow-up measures to prevent recurrence of compliance risks for reporting/tip-off cases.
5. The Company is obligated to protect the whistle blower by securing confidentiality, guaranteeing identity, and reducing responsibility for the whistle blowers who have found and reported violations of internal compliance-related norms. If the whistle blower reports any wrongdoing or irregularities related to him/her, he/she may take into account the circumstances, and all whistle blowers shall not be subject to any personnel disadvantages due to internal reports. However, the Company shall take appropriate measures when the whistle blower and the reporter request personnel measures, such as change of position, in accordance with his/her wishes, citing concerns about possible disadvantages in personnel management.

Article 14 (Handling Violated Cases)

1. If a compliance officer is found to violate the compliance control standards and these Regulations, the officer may notify the person in charge of the relevant department or report it to the representative director and request appropriate measures such as suspension, improvement, correction, and sanctions. In consultation with the department, etc., a comprehensive countermeasure can be prepared and suggested to the CEO, etc. However, in urgent cases, the compliance officer may, at his discretion before the above report or suggestion, take necessary measures, such as a request for suspension, improvement, or correction of related activities to the relevant employee.
2. The Company shall take appropriate sanctions corresponding to the importance of those who have violated the compliance control standards or these Regulations.
3. The compliance officer may request the HR department and the disciplinary committee for sanctions corresponding to the degree of violation for those who violate compliance-related norms detected by compliance control activities, etc. Relevant detailed procedures, etc., are subject to the personnel regulations and employment rules.
4. The compliance officer may prepare a plan to prevent recurrence of the same or similar violation and make a recommendation to the Board of Directors, the CEO, or the Compliance Committee. When a plan to prevent recurrence is decided, the compliance officer notifies the relevant department and related departments, and reflects it when improving related programs and policies.

## Fair Trade Compliance

### Fair Trade Compliance System

Hyundai Mobis pursues sustainable growth based on fair trade and competition. Accordingly, in December 2002, we introduced the Compliance Program (hereinafter “CP”), an internal compliance system for compliance with the fair trade-related statutes.

The Compliance Manager, who oversees Hyundai Mobis’ CP operation, promotes company-wide activities to comply with and prevent violations of fair trade-related statutes with authority and responsibility directly entrusted by the CEO. Hyundai Mobis established the “Fair Trade Compliance Secretariat” to handle practical affairs of CP operation under the Compliance Manager, supporting expertise in CP activities through the Legal Affairs Team that supports legal decision making. In addition, to encourage all stakeholders to practice fair trade, we specify the detailed principles of fair trade practice in the Employees’ Code of Conduct and CP Operating Regulations.

#### Operating Regulations of the Fair Trade Compliance Program



### Fair Trade Compliance Inspection

Hyundai Mobis inspects the company-wide fair trade compliance status in order to prevent violations of fair trade-related statutes in the course of business. When a risk of statutory violation is identified or the status of violation is not clear, we prevent the violation by holding a prior review through the legal affairs support system. In addition, to encourage fair trade-related reports, we operate a reporting center (Compliance Helpline) and distribute a checklist with which persons in charge of operations can inspect for the risk of violation by themselves.

The Fair trade compliance secretariat promotes operation improvement in accordance with the government policies and revision of related statutes. In particular, it performs company-wide preventive activities, such as identifying risk factors for violation of the Monopoly Regulation and Fair Trade Act and the Fair Transactions in Subcontracting Act, etc., and conducting regular inspection and improvement activities.

### Fair Trade Compliance Training

To enhance employees’ compliance awareness, Hyundai Mobis provides fair trade training and reports the performance to the CEO on a quarterly basis. We provide entry-level training on fair trade to new employees as a compulsory course in the orientation program to ensure that our employees recognize the importance of and comply with the Monopoly Regulation and Fair Trade Act. In addition, compliance training is offered annually to employees of divisions at fair trade-related contact points. At the same time, we provide advanced external training to help persons in charge of fair trade operations develop expertise by understanding related policies and legal trends.

#### Training Status

Target	Description	Performance in 2021
Divisions at fair trade-related contact points	Training on key statutes for fair trade/subcontracting, and practical guide	772 persons
New employees.	Basic guide to and improvement of awareness of fair trade/subcontracting-related statutes	241 persons

### Implementing Fair Trade with Suppliers

Each year, Hyundai Mobis enters into a Fair Trade Agreement with suppliers to promote fair business transactions and support win-win collaboration. Specifically, internal regulations were established to ensure compliance with the Fair Transactions in Subcontracting Act in transactions with suppliers (Four Actions for Subcontracting: Suitable Contract Management Regulations, Regulations for Supplier Registration and Operation Management, Regulations on Internal Review Committee Establishment and Operation Management, and Regulations for suitable Document Issuance and Retention Management).

In 2021, we entered into the 12th Fair Trade Agreement with 333 suppliers and executed transactions on a scale of KRW 5.6 trillion. We also encouraged our tier-1 and tier-2 suppliers to sign the agreement, as a result of which 174 tier-1 suppliers and 307 tier-2 suppliers entered into the agreement.

#### Implementing Fair Trade with Suppliers

Item	2019	2020	2021
Period	2019. 1. 1- 2019. 12. 31	2020. 1. 1- 2020. 12. 31	2021. 1. 1- 2021. 12. 31
Number of Suppliers	343	333	333
Purchase Amount (KRW 100 million)	50,586	43,902	55,981

\* Purchase amount refers to the amount of purchase from suppliers that entered into an agreement in the respective year

### Unfair Trade Report Channel

While preventing unfair transactions by operating a contract bidding system, Hyundai Mobis operates the Compliance Helpline, an anonymous reporting channel, to investigate unfair transaction status and achieve immediate improvement. We also prevent the recurrence of violations through continuous compliance training targeting divisions at contact points.

## Key Learnings in 2021

### What we've learned



While the end of internal combustion engine vehicles for carbon neutrality is being visualized, the eco-friendly vehicle market is growing at a much faster rate than expected. With environmental regulations being tightened in countries across the world, global automakers are declaring net-zero and sustainable procurement across the supply chain. They also demand suppliers to make environmental considerations throughout the production process (including upstream stage) in addition to the eco-friendliness of their products.

We must continuously check if we can swiftly respond to the accelerated demand for eco-friendly transition.

However, it has become compulsory to establish relevant social infrastructure beyond the corporate level according to the regional characteristics (energy supply environment and resource distribution, etc. by country), and the environment surrounding the industry—such as technologies, systems, and resources—is yet insufficient to meet the demand for eco-friendly transition. Therefore, it is necessary to check the feasibility of our strategic goals to meet the global requirements by identifying the conditions for eco-friendly transition and continuously monitoring policy changes in each country. Ultimately, we need to develop clean technologies to reduce carbon emissions effectively and ensure adaptation to the upcoming era of climate change.



We must clearly establish the criteria, goals, and methods of ESG data measuring.

As there are many external ESG-related disclosure indicators and assessments, quantitative assessment methodologies for corporate ESG performance, such as the methodology for carbon accounting, are still ambiguous and arbitrary. Nevertheless, the demand for detailed performance measuring based on KPI has become a universal trend, and the methodologies for disclosure are becoming more elaborate.

In fact, advancement of data measuring helps us better understand how much and in which ways our activities actually affect the sustainability-related issues. It also serves as a foundation on which we can make correct decisions. Therefore, transparent disclosure with a clear goal and purpose based on a set of standards and reliable data is essential.



The importance of supply chain management to address the global raw material supply and distribution issues, respond to geopolitical conflicts, and manage the prolonged difficulties of suppliers, etc. is drawing greater attention due to various factors. In addition to the external environment, the regulatory authorities of each country and global automakers expect tier-1 companies in the supply chain to strengthen the ESG management of their suppliers as well. The types and levels of requirements that Hyundai Mobis must meet as a global supplier engaged in business across the world are extremely diverse.

Furthermore, as a result of the accelerated transition to eco-friendly vehicles and mobility change, we not only face competition from new electric vehicle makers but also need to handle a growing number of automakers and other companies in the industry. As the supply chain in the automotive industry is being restructured rapidly, the competency to establish and operate a new value chain based on sustainability is gaining importance in the auto parts industry as a key success factor, especially for tier-1 suppliers like Hyundai Mobis.

It is essential to enhance the overall standard of the supply chain.

### Our response & plan

Hyundai Mobis is promoting ESG management under a long-term vision. For this, we are expanding direct and indirect investment in eco-friendly energy production and use and material development. Having announced our roadmap to achieve net-zero by 2040, we based on the four related strategic pillars and eight execution plans are implementing an expanded action plan by phase from business sites to supply chain/product value chain and, finally, local communities.

It is certainly not easy for individual companies to respond completely to and supplement the insufficient infrastructure. However, we will continuously strengthen monitoring on policy changes by country and region, flexibly respond to the policies according to the scenarios we have developed, and consequently achieve substantial implementation of the long-term strategic goal. The progress of our ESG tasks is being inspected periodically through strategic meetings including the top management. The inspection also targets matters related to the expansion of direct and indirect investments necessary for fulfilling the long-term strategic goal.

To set an objective and feasible goal for net-zero, Hyundai Mobis joined the SBTi and TCFD. We have set goals based on scientific grounds and developed a roadmap, and we are systematically managing our greenhouse gas reduction performances accordingly. We plan to disclose our status in greater detail by publishing separate reports for each area, such as Net-Zero Report and LCA Report, as of the previously published RE100 Roadmap Report. Meanwhile, Hyundai Mobis is setting internal ESG KPIs by division and task across all business areas including the environmental areas to manage the status of sustainability-related issues and goals and promote substantial improvement. In addition to developing internal ESG assessment processes according to the characteristics of each region, we are enhancing the management scope and methodologies through ongoing assessments and evaluations.

While bolstering ESG management, Hyundai Mobis focuses on strengthening ESG competency across the supply chain. We provide periodic ESG training not only to our employees but also to suppliers and preemptively identify and encourage handling of related sustainability risks by annually inspecting supply chain risks.

We will expand the scope of supply chain ESG management to all corporations in the EU by 2023 and strengthen the management and supervision on suppliers of all corporations including those in overseas countries by 2026. In particular, we plan to assist in suppliers' substantial development and promote virtuous cycle creation by strengthening communication with and expanding support to our suppliers.

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# Appendix

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# Factbook

## Environment

### Energy Consumption (integrated)

Indicator		Unit	2019	2020	2021
<b>Energy consumption</b>					
Total energy consumption	Total	TJ	7,561	7,235	<b>7,720</b>
	Domestic	TJ	3,163	3,308	<b>3,563</b>
	Overseas	TJ	4,398	3,927	<b>4,157</b>
Consumption intensity		TJ/KRW 100 million <sup>1)</sup>	0.020	0.020	<b>0.019</b>
<b>By energy source</b>					
Non-renewable energy	Total	TJ	7,561	7,235	<b>7,326</b>
		MWh	939,361	910,620	<b>940,885</b>
	Electricity	TJ	6,688	6,332	<b>6,303</b>
	Fuel	TJ	839	873	<b>988</b>
	Others	TJ	34	30	<b>35</b>
Renewable energy	Photovoltaic	TJ	-	-	<b>394</b>
		MWh	-	-	<b>41,012</b>
Ratio of renewable energy use		%	-	-	<b>5</b>

1) Consumption Intensity: Total consumption/sales

### GHG Emissions (integrated)

Indicator		Unit	2019	2020	2021
<b>GHG emissions from business sites (Scope 1 &amp; 2)</b>					
Total <sup>1)</sup>		tCO <sub>2</sub> eq	357,272	343,894	<b>356,334</b>
Scope 1	Total	tCO <sub>2</sub> eq	45,095	46,827	<b>52,725</b>
	Domestic	tCO <sub>2</sub> eq	16,875	20,706	<b>22,093</b>
	Overseas	tCO <sub>2</sub> eq	28,220	26,121	<b>30,632</b>
Scope 2	Total	tCO <sub>2</sub> eq	312,177	297,067	<b>303,609</b>
	Domestic	tCO <sub>2</sub> eq	139,070	142,459	<b>151,323</b>
	Overseas	tCO <sub>2</sub> eq	173,107	154,608	<b>152,286</b>
GHG intensity (Scope 1 & 2) <sup>3)</sup>		tCO <sub>2</sub> eq/KRW 100 million	0.94	0.94	<b>0.85</b>
<b>Other GHG emissions (Scope 3)</b>					
Total <sup>2)</sup>		tCO <sub>2</sub> eq	23,813	16,904	<b>14,964</b>
Scope 3	Outsourcing Companies	tCO <sub>2</sub> eq	9,188	9,029	<b>8,224</b>
	Business Travel	tCO <sub>2</sub> eq	10,047	3,813	<b>3,506</b>
	Upstream leased assets	tCO <sub>2</sub> eq	79	52	<b>257</b>
	Waste Generated in Operations	tCO <sub>2</sub> eq	4,499	4,010	<b>2,977</b>

1) GHG emissions of overseas business sites in 2019 and 2020 re-estimated according to the resetting of operating boundaries and application of updated values of the country-specific GHG emission factors (2019)

2) Domestic

3) GHG Intensity: Total emissions/sales

## Air Pollutant Emissions (domestic)

Indicator		Unit	2019	2020	2021
Air pollutants					
Air pollutant emissions	Total	ton	13.27	14.04	<b>26.33<sup>1)</sup></b>
	NOx	ton	0.42	2.67	<b>6.62</b>
	SOx	ton	-	-	<b>0.10</b>
	Dust	ton	1.66	0.92	<b>2.76</b>
	THC	ton	11.19	10.45	<b>16.85</b>
Emission intensity <sup>2)</sup>	kg/KRW 100 million		0.03	0.04	<b>0.06</b>

1) In 2021, total emissions increased according to the increased operating rate of key factories, first measurement at new factories, change in calculation method, etc.

2) Emission Intensity: Total emissions/sales

## Eco-friendly Products (integrated)

Indicator		Unit	2019	2020	2021
Sales from eco-friendly products					
Sales from eco-friendly products		KRW trillion	2.8	4.2	<b>6.1</b>
Ratio of sales from eco-friendly products		%	7.35	11.45	<b>14.61</b>
CO <sub>2</sub> emissions per vehicle <sup>1)</sup>					
Internal combustion engine vehicle		g/km	134.8	192.2	<b>142.8</b>
Hybrid electric vehicle (HEV)		g/km	76.4	95.6	<b>93.1</b>
Plug-in hybrid electric vehicle (PHEV)		g/km	76.4	24.4	<b>31.0</b>
Electric vehicle (EV)/Fuel cell electric vehicle (FCEV)		g/km	0	0	<b>0</b>

1) Calculated targeting domestic and overseas eco-friendly vehicle models and corresponding internal combustion engine vehicle models

## Raw Materials Management (domestic)

Indicator		Unit	2019	2020	2021
Raw materials used (non-renewable)					
Metals		ton	103,368	109,959	<b>128,317</b>
Plastics		ton	10,260	9,674	<b>15,092</b>
Solvents		ton	2,904	1,347	<b>1,612</b>

## Waste Management (domestic)

Indicator		Unit	2019	2020	2021
Waste generation					
Total waste generation		ton	15,435	14,169	<b>15,038</b>
Generation intensity <sup>1)</sup>		ton/KRW 100 million	0.041	0.039	<b>0.036</b>
Hazardous wastes	Total	ton	2,064	2,067	<b>1,574</b>
	Incinerated	ton	1,917	1,632	<b>986</b>
	Landfilled	ton	1	0	<b>0</b>
	Recycled	ton	146	435	<b>588</b>
	Recycling rate	%	7	21	<b>37</b>
Non-hazardous wastes	Total	ton	13,371	12,102	<b>13,464</b>
	Incinerated	ton	2,764	3,823	<b>4,203</b>
	Landfilled	ton	903	292	<b>285</b>
	Recycled	ton	9,704	7,987	<b>8,976</b>
	Recycling rate	%	73	66	<b>67</b>

1) Generation Intensity: Total amount generated/sales

## Water Resource Management

Indicator		Unit	2019	2020	2021
Water withdrawal and consumption					
Withdrawal	Total	ton	764,423	833,740	<b>849,259</b>
	Municipal water	ton	740,683	812,440	<b>828,139</b>
	Underground water	ton	23,740	21,300	<b>21,120</b>
Consumption	Total	ton	764,423	833,740	<b>849,259</b>
	Municipal water	ton	740,683	812,440	<b>828,139</b>
	Underground water	ton	23,740	21,300	<b>21,120</b>
Consumption intensity <sup>1)</sup>		ton/KRW 100 million	2.01	2.28	<b>2.04</b>

1) Consumption Intensity: Total consumption/sales

## Water Pollutants (domestic)

Indicator		Unit	2019	2020	2021
Water pollutant management					
Total amount of water pollutants discharged		ton	0.931	0.571	<b>0.676</b>
Water quality of treated wastewater					
BOD (biological oxygen demand)		ton	0.049	0.034	<b>0.043</b>
COD (chemical oxygen demand)		ton	0.202	0.110	<b>0.060</b>
TN		ton	0.599	0.364	<b>0.138</b>
SS		ton	0.060	0.043	<b>0.020</b>
N-H		ton	0.007	0.002	<b>0.002</b>
T-P		ton	0.014	0.018	<b>0.413</b>
Discharge intensity <sup>1)</sup>		kg/KRW 100 million	0.0024	0.0016	<b>0.0016</b>

1) Discharge Intensity: Total amount discharged/sales

## Social

### Supply Chain General (integrated)

Indicator		Unit	2019	2020	2021
Suppliers Status					
Total number of suppliers <sup>1)</sup>		Companies	-	-	<b>3,970</b>
Tier-1 (direct development)		Companies	996	1,177	<b>1,186</b>
Domestic		Companies	557	593	<b>588</b>
Overseas		Companies	439	584	<b>598</b>
Total purchase amount		KRW 100 million	335,994	315,822	<b>368,070</b>
Mass production		KRW 100 million	147,037	156,754	<b>189,272</b>
After-sales service		KRW 100 million	25,676	22,725	<b>29,280</b>
Supplies/Packaging		KRW 100 million	2,389	2,554	<b>2,504</b>
Overseas corporations		KRW 100 million	154,270	128,972	<b>139,841</b>
Others		KRW 100 million	6,622	4,817	<b>7,173</b>

1) Newly reported

### Collaboration for Shared Growth (domestic)

Indicator		Unit	2019	2020	2021
Number of companies under the fair trade agreement					
Subject companies		Companies	343	333	<b>333</b>
Purchase amount <sup>1)</sup>		KRW 100 million	50,586	43,902	<b>55,981</b>
Supplier support					
Direct support (funding)		KRW 100 million	529	1,132	<b>869</b>
Indirect support (mixed)					
Funding for loan support		KRW 100 million	1,717	2,037	<b>2,715</b>
Loan support		KRW 100 million	975	1,654	<b>2,355</b>
Contributions to fund special support		KRW 100 million	68	33	<b>25</b>
Shared growth payment system funding					
Hyundai Mobis > Tier-1 suppliers		KRW 100 million	48,121	48,952	<b>55,275</b>
Tier-1 suppliers > Tier-2 suppliers		KRW 100 million	1,022	1,073	<b>1,547</b>

1) Purchase amount refers to the amount of purchase from suppliers that entered into an agreement in the subject year

## Supply Chain Risk Management (domestic)

Indicator	Unit	2019	2020	2021
<b>Inspection for sustainability risk (Tier-1, 2 suppliers) <sup>1)</sup></b>				
Tier-1 suppliers	Companies	-	353	<b>375</b>
Inspection result	Total	-	310	<b>347</b>
	Dangerous	-	3	<b>16</b>
	Satisfactory	-	307	<b>331</b>
Tier-2 suppliers	Companies	-	100	<b>35</b>
Inspection result	Total	-	97	<b>35</b>
	Dangerous	-	3	<b>7</b>
	Satisfactory	-	94	<b>28</b>
Ratio of suppliers with high sustainability risk (Tier-1, 2 suppliers)	%	-	1.5	<b>6.0</b>
<b>On-site assessment <sup>1)</sup></b>				
High risk Tier-1 suppliers	Companies	-	3	<b>16</b>
High risk Tier-2 suppliers	Companies	-	3	<b>7</b>
Improvement on sustainability risk	Correction	-	2	<b>23</b>
	Recommendation	-	4	<b>0</b>
Ratio of high-risk suppliers that established (received) a corrective action plan	%	-	100	<b>100</b>
Ratio of suppliers that improved ESG performance within 12 months of receiving a corrective action plan	%	-	100	<b>100</b>
Deliberation on sanctions completion rate <sup>2)</sup>	%	-	100	<b>100</b>
Suppliers with which transaction has been terminated due to negative impact	Companies	-	0	<b>0</b>
<b>Supplier ESG support <sup>1)</sup></b>				
Suppliers participating in ESG management training	Companies	-	453	<b>410</b>
Suppliers participating in ESG training at the general meeting	Companies	-	- <sup>3)</sup>	<b>191</b>
Supplier safety support (training, assessment, etc.)	Companies	-	68	<b>391</b>

1) Implemented since 2020

2) Issue raised suppliers through press release (News Watches) due to noncompliance with the Code of Conduct

3) Meeting not held due to COVID-19

## Customer Support (domestic)

Indicator	Unit	2019	2020	2021
<b>Improvement of distributor's operating environment</b>				
Support to distributors through share growth fund	KRW 100 million	1.9	1.6	<b>1.2</b>
Management consulting to distributors	Distributors	30	27	<b>22</b>
Support for environmental improvement	Distributors	-	19	<b>13</b>
Improvement of distributors' inventory integrity	KRW 100 million	7.0	46.0	<b>27.2</b>
Support for the operating system cost of distributors	KRW 100 million	10.0	9.7	<b>10.0</b>
Supply support to distributors	KRW 100 million	1.5	1.9	<b>0.9</b>

## Product Quality and Safety (integrated)

Indicator	Unit	2019	2020	2021
<b>Product recall</b>				
Total number of vehicles recalled	Vehicles	547,024	1,549,892	<b>15,437</b>
Provision for product warranties set at the beginning of the period	KRW million	639,821	898,439	<b>1,238,315</b>
Expenditures for product warranties during the period (cost)	KRW million	154,815	193,743	<b>318,965</b>
<b>Quality training <sup>1)</sup></b>				
VDA6.3 training	Persons	-	-	811
On-the-job training	Persons	-	-	286

1) Newly reported, domestic

## Employment (integrated)<sup>1)</sup>

Indicator			Unit	2019	2020	2021
Employment Status						
Total number of employees			Persons	33,884	34,220	<b>33,702</b>
By gender	Male	Total	Persons	26,592	26,824	<b>26,191</b>
		Female	Persons	7,292	7,396	<b>7,511</b>
		Ratio of female employees	%	21.5	21.6	<b>22.3</b>
By employment type	Permanent positions	Total	Persons	29,592	29,354	<b>29,606</b>
		Male	Persons	23,163	22,777	<b>22,668</b>
		Female	Persons	6,456	6,577	<b>6,938</b>
	Temporary positions	Total	Persons	4,292	4,866	<b>4,096</b>
		Male	Persons	3,456	4,047	<b>3,523</b>
		Female	Persons	836	819	<b>573</b>
	Ratio of fixed-term workers		%	12.7	14.2	<b>12.1</b>
	By region	Korea	Persons	10,174	10,244	<b>10,838</b>
		China	Persons	6,333	5,759	<b>4,825</b>
Americas		Persons	6,575	6,670	<b>6,663</b>	
Europe		Persons	6,774	7,023	<b>6,900</b>	
Asia - Pacific/Others (excluding Korea and China)		Persons	4,028	4,524	<b>4,476</b>	
By nationality <sup>2)</sup>	Korea	Persons	10,146	10,217	<b>10,806</b>	
	China	Persons	8	6	<b>7</b>	
	North America	Persons	6	6	<b>6</b>	
	Europe	Persons	2	3	<b>3</b>	
	Asia - Pacific/Others (excluding Korea and China)	Persons	12	12	<b>16</b>	
By generation	Under 30 years old	Persons	10,978	10,362	<b>9,573</b>	
	30-50 years old	Persons	18,949	19,576	<b>19,617</b>	
	Over 50 years old	Persons	3,957	4,282	<b>4,512</b>	

Indicator			Unit	2019	2020	2021
By job group	Administrative	Total	Persons	13,663	13,708	<b>14,287</b>
		Male	Persons	11,243	11,251	<b>11,638</b>
		Female	Persons	2,420	2,457	<b>2,649</b>
	Ratio of female employees		%	17.7	17.9	<b>18.5</b>
	Non-administrative	Total	Persons	20,129	20,424	<b>19,325</b>
		Male	Persons	15,257	15,485	<b>14,463</b>
Female		Persons	4,872	4,939	<b>4,862</b>	
Profit generating (administrative positions)	Total	Persons	1,587	1,624	<b>1,665</b>	
	Male	Persons	1,342	1,365	<b>1,396</b>	
	Female	Persons	245	259	<b>269</b>	
	Ratio of female employees		%	15.4	15.9	<b>16.2</b>
STEM (permanent positions in the R&D center)	Total	Persons	4,323	4,381	<b>4,796</b>	
	Male	Persons	3,763	3,783	<b>4,090</b>	
	Female	Persons	560	598	<b>706</b>	
	Ratio of female employees		%	13.0	13.6	<b>14.7</b>
By position <sup>2)</sup>	Executive	Total	Persons	92	88	<b>90</b>
		Male	Persons	92	88	<b>90</b>
		Female	Persons	0	0	<b>0</b>
	Senior administrative	Total	Persons	4,396	4,631	<b>5,052</b>
		Male	Persons	4,288	4,493	<b>4,862</b>
		Female	Persons	108	138	<b>190</b>
		Ratio of female employees		%	2.5	3.0
	Junior administrative	Total	Persons	3,052	2,876	<b>3,074</b>
		Male	Persons	2,597	2,429	<b>2,512</b>
Female		Persons	455	447	<b>562</b>	
Ratio of female employees		%	14.9	15.5	<b>18.3</b>	
Minority	Disabled	Persons	326	317	<b>320</b>	
	Patriots and veterans related <sup>2)</sup>	Persons	125	121	<b>121</b>	

1) Data changed according to partial change in internal management criteria

2) Domestic

Note: Senior Administrative: Senior manager, senior researcher, senior lawyer, etc. / Junior Administrative: Manager, researcher, lawyer, etc.

## New Recruitment, Internal Recruitment, and Turnover Rate Management (domestic)

Indicator	Unit	2019	2020	2021
<b>New employment</b>				
Total number of newly recruited persons	Persons	376	298	<b>888</b>
By gender	Male	-	260	<b>707</b>
	Female	-	38	<b>181</b>
By age	Under 30 years old	-	152	<b>528</b>
	30-50 years old	-	87	<b>298</b>
	Over 50 years old	-	59	<b>62</b>
<b>Internally recruited persons</b>				
Ratio of recruitment through open position (Career Market) <sup>1)</sup>	%	3.8	9.1	<b>9.5</b>
<b>Turnover rate management</b>				
Average years of continuous service	year	13.3	13.8	<b>13.5</b>
By gender	Male	13.8	14.2	<b>14.0</b>
	Female	9.8	10.3	<b>9.7</b>
<b>Total turnover rate (retirement rate)</b>	%	4.2	5.4	<b>6.1</b>
By gender	Male	318	395	<b>510</b>
	Female	110	154	<b>151</b>
	Male	3.1	3.9	<b>4.7</b>
	Female	1.1	1.5	<b>1.4</b>
By generation	Under 30 years old	263	242	<b>329</b>
	30-50 years old	127	115	<b>112</b>
	Over 50 years old	154	192	<b>220</b>
	Under 30 years old	2.6	2.4	<b>3.0</b>
	30-50 years old	1.2	1.1	<b>1.0</b>
	Over 50 years old	1.5	1.9	<b>2.0</b>

Indicator	Unit	2019	2020	2021
Voluntary turnover rate	%	1.7	1.4	<b>2.3</b>
By gender	Male	140	112	<b>185</b>
	Female	32	29	<b>63</b>
	Male	1.4	1.1	<b>1.7</b>
	Female	0.3	0.3	<b>0.6</b>
By generation	Under 30 years old	81	56	<b>154</b>
	30-50 years old	80	65	<b>85</b>
	Over 50 years old	41	20	<b>9</b>
	Under 30 years old	0.8	0.5	<b>1.4</b>
	30-50 years old	0.8	0.6	<b>0.8</b>
	Over 50 years old	0.4	0.2	<b>0.1</b>
Involuntary turnover rate	%	2.5	4.0	<b>3.8</b>

1) Open Position (%) = [Number of personnel shifted through career market/(Number of personnel shifted through career market + New employment)] x 100

Note: Turnover Rate = (Number of turners)/(total number of employees and executives) x 100

Voluntary Turnover Rate = (Total number of turners) - (voluntary) retirement - advisory resignation/total number of personnel

## Human Rights Training (domestic)

Indicator	Unit	2019	2020	2021
<b>Human rights training</b>				
Number of persons who completed human rights training	Persons	7,501	7,996	<b>9,047</b>

## Labor - Management Relations (domestic)

Indicator	Unit	2019	2020	2021
Collective agreement and labor union				
Ratio of employees to whom the collective agreement applies	%	100	100	<b>100</b>
Ratio of employees joining the labor union	%	52.5	54.7	<b>53.1</b>

## Employee Training (domestic)

Indicator	Unit	2019	2020	2021
Training targets and hours				
Total number of persons receiving training <sup>1)</sup>	Persons	-	-	<b>10,748</b>
Permanent positions	Persons	-	-	<b>10,334</b>
Temporary positions	Persons	-	-	<b>414</b>
Total annual hours of training	Hours	585,537	452,948	<b>554,197</b>
Average annual hours of training per person	Hours	57.6	45.2	<b>51.6</b>
Participation in training by program				
Internal on-the-job training	Persons	61,545	40,083	<b>66,788</b>
External on-the-job training	Persons	1,024	309	<b>579</b>
Study group	Persons	1,405	2,981	<b>1,020</b>
Mentoring	Persons	16	10	<b>651</b>
S-OJT	Persons	328	193	<b>345</b>
Knowledge (full-time learning content)	Persons	34,988	8,445	<b>16,709</b>
Training expenses				
Total education and training expenses	KRW million	9,686	8,367	<b>8,026</b>
Average education and training expenses per person	KRW/Persons	950,000	834,715	<b>746,830</b>

1) Newly reported

## Performance Appraisal (domestic)

Indicator	Unit	2019	2020	2021
KPI-based performance appraisal (goal management MBO, etc.)				
Reference persons	Persons	10,174	10,244	<b>10,838</b>
Subject persons	Persons	7,977	8,030	<b>8,665</b>
Assessed persons <sup>1)</sup>	Persons	7,977	8,030	<b>8,665</b>
KPI-based performance appraisal ratio	%	100	100	<b>100</b>
Multidimensional performance appraisal (360 degree feedback, etc.)				
Reference persons	Persons	10,174	10,244	<b>10,838</b>
Subject persons	Persons	7,621	7,678	<b>8,303</b>
Assessed persons <sup>1)</sup>	Persons	7,621	7,678	<b>8,303</b>
Multidimensional performance appraisal ratio	%	100	100	<b>100</b>
Compensation for comparative appraisal				
Reference persons	Persons	10,174	10,244	<b>10,838</b>
Subject persons	Persons	9,809	9,882	<b>10,466</b>
Assessed persons <sup>1)</sup>	Persons	4,492	4,723	<b>5,146</b>
Comparative performance appraisal ratio <sup>2)</sup>	%	45.8	47.8	<b>49.2</b>

1) Newly reported

2) Ratio of ranking selection through comparative analysis of employees in the same position

## Gender Pay (domestic)

Indicator	Unit	2019	2020	2021	
<b>Salary status</b>					
Total salaries paid	KRW million	887,360	871,722	<b>1,009,606</b>	
Average annual salary	Median	KRW	92,211,496	89,393,066	<b>99,912,811</b>
of all employees	Mean	KRW	89,140,757	86,463,466	<b>94,155,945</b>
<b>Executives (base salary)</b>					
Average base salary	Female	KRW	-	-	-
	Male	KRW	343,040,957	293,226,667	<b>335,435,165</b>
<b>Administrative positions (base salary)</b>					
Average base salary	Female	KRW	67,165,694	57,946,215	<b>59,172,839</b>
	Male	KRW	72,251,450	72,605,458	<b>74,851,085</b>
	Ratio of average base salary of female workers to average base salary of male workers	%	93.0	79.8	<b>79.1</b>
<b>Executives (Total Annual Salary: base salary + other performance pay in cash, such as bonus)<sup>1)</sup></b>					
Average annual salary	Female	KRW	-	-	-
	Male	KRW	368,537,712	357,179,253	<b>400,192,261</b>
<b>Administrative positions (Total Annual Salary: base salary + other performance pay in cash, such as bonus)</b>					
Average annual salary	Female	KRW	73,320,698	68,533,810	<b>68,314,188</b>
	Male	KRW	90,743,154	87,847,584	<b>96,544,297</b>
	Ratio of average annual salary of female workers to average annual salary of male workers	%	80.8	78.0	<b>70.8</b>
<b>Non-administrative</b>					
Average base salary	Female	KRW	72,862,895	66,126,859	<b>71,674,479</b>
	Male	KRW	98,607,995	93,912,397	<b>103,204,213</b>
	Ratio of average base salary of female workers to average base salary of male workers	%	73.9	70.4	<b>69.4</b>

Note: Administrative Positions: Office management positions (manager, researcher, lawyer, etc.) /

Non-administrative Positions: On-site positions (staff, engineer, etc.)

1) Male executives only

## Childbirth and Childcare (domestic)

Indicator	Unit	2019	2020	2021	
<b>Maternity and parental leave</b>					
Maternity leave	Male	Persons	282	322	<b>306</b>
	Female	Persons	49	54	<b>83</b>
Parental leave	Male	Persons	33	38	<b>51</b>
	Female	Persons	72	80	<b>114</b>
Number of employees returned to work after parental leave	Persons	101	117	<b>165</b>	
Ratio of employees returned to work after parental leave <sup>1)</sup>	%	96	99	<b>100</b>	
Number of employees returned to work after parental leave and that were still employed 12 months after their return to work	Persons	101	117	<b>165</b>	
Ratio of employees returned to work after parental leave and that were still employed 12 months after their return to work	%	96	99	<b>100</b>	

1) Based on persons returned to work after parental leave in the respective year : Rate of return = Number of persons returned to work/Number of persons took parental leave

## Organizational Culture (integrated)

Indicator	Unit	2019	2020	2021
<b>Employee satisfaction survey and result</b>				
Employee satisfaction score (positive responses)	%	63	72	<b>73</b>
Employee satisfaction score goal (reporting year)	%	61	65	<b>72</b>

## Occupational Health and Safety (domestic)

Indicator	Unit	2019	2020	2021
Safety training of employees				
Regular training	Persons	8,045	7,105	<b>7,670</b>
Special training	Persons	101	388	<b>733</b>
Training at employment	Persons	492	197	<b>707</b>
Training of supervisors	Persons	582	443	<b>516</b>
SHE module in compliance training	Persons	6,825	7,770	<b>9,047</b>
Industrial accidents				
Number of industrial accidents <sup>1)</sup>	Persons	7	6	<b>3</b>
Ratio of industrial accidents	%	0.07	0.06	<b>0.03</b>
Lost time injury frequency rate (LTIFR)				
Employees	Number of incidents / one million hours	0.540	0.530	<b>0.520</b>
	Number of incidents / 200,000 hours	0.108	0.106	<b>0.104</b>
Subcontractors (internal suppliers) <sup>2)</sup>	Number of incidents / one million hours	1.610	1.540	<b>1.530</b>
	Number of incidents / 200,000 hours	0.322	0.308	<b>0.306</b>
Occupational illness frequency rate (OIFR) (employees)	Number of incidents / one million hours	0.210	0.140	<b>0.140</b>

1) Based on externally reported industrial accidents (number of lost workdays for at least one day, Occupational Safety and Health Act):  
Industrial accident rate = Number of injured/number of full-time workers x 100

2) Based on accidents causing lost workdays for at least one day due to the strengthening of accident management criteria for suppliers (took effect in 2019)

## Social Contribution (domestic)

Indicator	Unit	2019	2020	2021
Social contribution programs achievements				
Number of Junior Engineering Class participants	Persons	12,940	4,301	<b>15,842</b>
Support of assistive equipment for rehabilitation treatment to improve the mobility convenience of children with disabilities	Persons	119	135	<b>175</b>
See-through Umbrella sharing	Supported persons	282	272	<b>468</b>
	Supported schools	Schools	152	222
Employee volunteering	Persons	3,078	1,720	<b>3,796</b>
Donation Run	Persons	-	-	<b>3,000</b>
Annual carbon absorption by Meer Forest	ton	31	31	<b>31</b>

## Donation (integrated)

Indicator	Unit	2019	2020	2021	
By volunteer activity type					
Total donations	KRW million	21,071	24,089	<b>16,620</b>	
Charitable donations	KRW million	2,669	5,309	<b>8,151</b>	
Ratio of charitable donations	%	12.7	22.0	<b>49.0</b>	
Donations to local communities	KRW million	16,302	17,191	<b>6,666</b>	
Ratio of donations to local communities	%	77.4	71.4	<b>40.1</b>	
Donations for commercial initiatives (public marketing, etc.)	KRW million	2,099	1,588	<b>1,803</b>	
Ratio of donations for commercial initiatives (public marketing, etc.)	%	10.0	6.6	<b>10.8</b>	
By donation resource <sup>1)</sup>					
Cash contributions	Total	KRW million	18,912	21,734	<b>14,037</b>
	Associations and tax-exempting organizations	KRW million	1,118	1,125	<b>1,112</b>
	Lobbying and political donations	KRW million	0	0	<b>0</b>
Volunteer activities as donations <sup>2)</sup>	KRW million	434	201	<b>489</b>	
In-kind giving <sup>3)</sup>	KRW million	0	0	<b>0</b>	
Management overheads	KRW million	793	282	<b>38</b>	

1) Domestic

2) Employees' working hours spent on volunteer activities (excluding weekends)

3) Products, services, and projects/partnerships, etc.

## Information Security (domestic)

Indicator	Unit	2019	2020	2021
Information security activities				
Information security module in compliance training	Persons	7,501	7,996	<b>9,047</b>
Simulation training for response to malicious emails <sup>1)</sup>	Times/year	-	6	<b>12</b>

1) Simulation training system for response to malicious emails introduced in June 2020

## Economic and Governance

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### Economic General (integrated)

Indicator	Unit	2019	2020	2021
Business performance				
Total assets	KRW million	46,606,064	48,497,676	<b>51,482,537</b>
Total liabilities	KRW million	14,196,442	15,169,553	<b>16,125,063</b>
Total equity	KRW million	32,409,622	33,328,123	<b>35,357,474</b>
Total sales	KRW million	38,048,768	36,626,504	<b>41,702,184</b>
Gross profit	KRW million	5,229,169	4,704,238	<b>5,264,538</b>
Ratio of sales from electrification parts (to total sales) <sup>1)</sup>	%	-	11.50	<b>14.61</b>
Operating profit	KRW million	2,359,257	1,830,292	<b>2,040,112</b>
Profit before taxes	KRW million	3,214,294	2,117,980	<b>3,194,542</b>
Net income	KRW million	2,294,311	1,526,850	<b>2,362,474</b>
Performance distribution				
Employee salaries <sup>2)</sup>	KRW million	887,360	871,722	<b>1,009,606</b>
Retirement benefits <sup>2)</sup>	KRW million	76,116	83,379	<b>80,966</b>
Employee benefits <sup>2)</sup>	KRW million	168,413	182,322	<b>193,641</b>
Supplier product procurement	KRW 100 million	335,994	315,822	<b>368,070</b>
Income tax	KRW million	919,983	591,130	<b>832,068</b>
Donations to local communities	KRW million	18,912	21,734	<b>16,620</b>
Shareholder dividend	KRW million	375,027	370,104	<b>364,929</b>
Interest expenses	KRW million	75,005	54,543	<b>38,621</b>

1) Sales ratio newly reported according to Electrification BU installation in 2020

2) Domestic

### Creating Shareholder Value (integrated)

Indicator	Unit	2019	2020	2021
Shareholder return				
Amount of dividend	KRW 100 million	3,750	3,701	<b>3,649</b>
Treasury stock repurchase	KRW 100 million	3,225	2,348	<b>4,286</b>
Treasure stock retirement	KRW 100 million	4,736	625	<b>625</b>
Shareholder return amount	KRW 100 million	6,975	6,049	<b>7,935</b>
Shareholder return ratio	%	0.304	0.396	<b>0.336</b>
CEO compensation				
CEO	KRW million	1,187	1,440	<b>1,178</b>
Median annual salaries of all employees excluding the CEO	KRW million	92	89	<b>100</b>
Ratio of CEO compensation to median annual salaries of all employees	%	12.9	16.1	<b>11.8</b>
Mean annual salaries of all employees excluding the CEO	KRW million	89	86	<b>94</b>
Ratio of CEO compensation to mean annual salaries of all employees	%	13.3	16.7	<b>12.5</b>
Compensation of executive / independent directors				
Total amount for executive directors	KRW million	6,574	5,765	<b>5,848</b>
Average compensation per executive director	KRW million	1,644	1,441	<b>1,462</b>
Total amount for independent directors	KRW million	491	546	<b>527</b>
Average compensation per independent director	KRW million	98	109	<b>105</b>

## Audit (integrated)

Indicator	Unit	2019	2020	2021
Audit cost by external auditor				
Audit service cost	KRW million	1,276	1,697	<b>1,840</b>
Non-audit service cost	KRW million	197	197	<b>208</b>
Ratio of non-audit service cost to audit service cost	%	15.4	11.6	<b>11.3</b>

## R&D and Patent (integrated)

Indicator	Unit	2019	2020	2021
R&D				
Total R&D cost	KRW 100 million	9,654	10,122	<b>11,674</b>
R&D cost to sales	%	2.5	2.8	<b>2.8</b>
R&D personnel	Persons	4,987	5,489	<b>5,911</b>
R&D personnel to all employees	%	14.7	16.0	<b>17.5</b>
Orders received for core parts <sup>1)</sup>	USD million	1,755	1,758	<b>2,517</b>
Patents				
Patents secured (cumulative)	case	3,847	4,373	<b>5,852</b>
New patent applications (by year)	case	1,274	2,088	<b>2,843</b>
Future technologies (autonomous driving, connectivity) <sup>2)</sup>	case	-	-	<b>659</b>
Eco-friendly technologies (electrification, fuel cell) <sup>2)</sup>	case	-	-	<b>295</b>
Others <sup>2)</sup>	case	-	-	<b>1,889</b>

1) Core Parts: Electrical components, lamp, chassis, electrification parts

2) New applications

## Compliance (domestic)

Indicator	Unit	2019	2020	2021
Compliance training				
Basic training for employees	Persons	7,501	7,996	<b>9,047</b>
Training of suppliers to enhance compliance awareness/ strengthen competencies in key areas	Companies	-	548	<b>410</b>
Environmental compliance training to suppliers	Companies	-	340	<b>383</b>
Compliance reports and actions taken				
Total number of reports	case	-	-	<b>102</b>
Fair trade/Subcontracting	case	-	-	<b>90</b>
Reports on return of gifts, etc.	case	-	-	<b>12</b>
Actions taken	case	-	-	<b>90</b>
Fair trade/Subcontracting - Guidance completed	case	-	-	<b>79</b>
Fair trade/Subcontracting - Irrelevant to Hyundai Mobis	case	-	-	<b>11</b>
Reports on return of gifts - Returns confirmed (not subject to penalties)	case	-	-	<b>12</b>
Reports on violation of Code of Ethics and actions taken <sup>1)</sup>				
Total number of violations/reports	case	45	43	<b>30</b>
A/S Parts	case	20	22	<b>4</b>
Employees	case	7	8	<b>15</b>
Suppliers	case	8	6	<b>5</b>
CS	case	4	7	<b>2</b>
Others	case	6	-	<b>4</b>
Actions taken	case	45	43	<b>30</b>
Personnel measures	case	6	6	<b>17</b>
Internal training	case	14	33	<b>4</b>
Others	case	25	4	<b>9</b>
Fair trade training				
Divisions related to fair trade	Persons	667	977	<b>772</b>
New employees	Persons	191	171	<b>241</b>
Suppliers for procurement	Companies	239	548	<b>410</b>
Compliance with regulations				
Violations of laws and regulations <sup>2)</sup>	case	-	-	<b>3</b>
Total penalties	KRW	-	-	<b>13,000,000</b>

1) Domestic and overseas data disclosed since 2021

2) Newly reported, based on the status of sanctions in the annual report for FY2021 (page 356) (each case concerning occupational health and safety, chemicals management, and waste management)

# GRI Standards



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## GRI 102 General Disclosures

Topic	GRI Standards	Report	Page	Note
Organizational profile	102-1 Name of organization	●	5	
	102-2 Activities, brands, products, and services	●	5	
	102-3 Location of headquarters	●	5	
	102-4 Location of operations	●	5	
	102-5 Ownership and legal form	●	88	
	102-6 Markets served	●	6-9	
	102-7 Scale of organization	●	5	
	102-8 Information on employees and other workers	●	114	
	102-9 Supply chain	●	48-49	
	102-10 Significant changes to the organization and its supply chain	●	48-49	
	102-11 Precautionary principle or approach	●	99	
	102-12 External initiatives	●	128	
	102-13 Membership of associations	●	128	
Strategy	102-14 Statement from senior decision-maker	●	3-4	
	102-15 Key impacts, risks, and opportunities	●	99-101	
Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	●	5, 102	
	102-17 Mechanisms for advice and concerns about ethics	●	105-106	
Governance	102-18 Governance structure	●	91-92	
	102-19 Delegating authority	●	21	
	102-20 Executive-level responsibility for economic, environmental, and social topics	●	21	
	102-22 Composition of the highest governance body and its committees	●	91-93	
	102-23 Chair of the highest governance body	●	91	
	102-24 Nominating and selecting the highest governance body	●	91-94	
	102-25 Conflicts of interest	●	93	

Topic	GRI Standards	Report	Page	Note	
Governance	102-26 Role of highest governance body in setting purpose, values, and strategy	●	21, 91, 95		
	102-27 Collective knowledge of highest governance body	●	91, 95		
	102-28 Evaluating the highest governance body performance	●	95		
	102-30 Effectiveness of risk management processes	●	99		
	102-31 Review of economic, environmental, and social topics	●	92, 95		
	102-32 Highest governance body's role in sustainability reporting	●	21		
	102-33 Communicating critical concerns	●	21, 99		
	102-34 Nature and total number of critical concerns	●	26		
	102-35 Remuneration policies	●	96		
	102-36 Process for determining remuneration	●	93, 96		
	102-38 Annual total compensation ratio	●	96		
	Stakeholder engagement	102-40 List of stakeholder groups	●	22	
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		102-42 Identifying and selecting stakeholders	●	22	
102-43 Approach to stakeholder engagement		●	22-24		
102-44 Key topics and concerns raised		●	22		
Reporting practice	102-45 Entities included in the consolidated financial statements	●	132	About This Report	
	102-46 Defining report content and topic Boundaries	●	25		
	102-47 List of material topics	●	26		
	102-48 Restatements of information	●	-	Each item footnoted	
	102-49 Changes in reporting	●	26		
	102-50 Reporting period	●	132	About This Report	
	102-51 Date of most recent report	●	132	About This Report	
	102-52 Reporting cycle	●	132	About This Report	
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## GRI 103 Management Approach

Topic	GRI Standards		Report	Page	Note
	103-1	Explanation of material topic and its Boundary	●	27-28	
	103-2	The management approach and its components	●	27-28	

## GRI 200 Economic Performance

Topic	GRI Standards		Report	Page	Note
Economic Performance	201-1	Direct economic value generated and distributed	●	119	
	201-2	Financial implications and other risks and opportunities due to climate change	●	36	
Procurement Practices	204-1	Proportion of spending on local suppliers	●	49	
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	●	104	
	205-3	Confirmed incidents of corruption and actions taken	●	105-106	
Tax	207-1	Approach to tax	●	101	

## GRI 300 Environmental Performance

Topic	GRI Standards		Report	Page	Note
Materials	301-1	Materials used by weight or volume	●	111	
Energy	302-1	Energy consumption within the organization	●	110	
	302-3	Energy intensity	●	110	
Water and Effluents	303-2	Management of water discharge-related impacts	●	46	
	303-3	Water withdrawal	●	112	
	303-5	Water consumption	●	112	
Emissions	305-1	Direct (Scope 1) GHG emissions	●	110	
	305-2	Energy indirect (Scope 2) GHG emissions	●	110	
	305-3	Other indirect (Scope 3) GHG emissions	●	110	
	305-4	GHG emissions intensity	●	110	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	●	111	
Waste	306-2	Management of significant waste-related impacts	●	45	
	306-3	Waste generated	●	111	
	306-4	Waste diverted from disposal	●	111	
	306-5	Waste directed to disposal	●	111	
	307-1	Non-compliance with environmental laws and regulations	●	120	Refer to page 356 of the business report for FY2021
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	●	50-51	
	308-2	Negative environmental impacts in the supply chain and actions taken	●	50-51	

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## GRI 400 Social Performance

Topic	GRI Standards	Report	Page	Note
Employment	401-1	New employee hires and employee turnover	●	115
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	●	71
	401-3	Parental leave	●	117
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	●	64
Occupational Health and Safety	403-1	Occupational health and safety management system	●	73
	403-2	Hazard identification, risk assessment, and incident investigation	●	74-76
	403-3	Occupational health services	●	77
	403-4	Worker participation, consultation, and communication on occupational health and safety	●	74
	403-5	Worker training on occupational health and safety	●	75
	403-6	Promotion of worker health	●	77
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	●	73, 75
	403-8	Workers covered by an occupational health and safety management system	●	73
	403-9	Work-related injuries	●	118
Training and Education	404-1	Average hours of training per year per employee	●	116
	404-2	Programs for upgrading employee skills and transition assistance programs	●	67-69
	404-3	Percentage of employees receiving regular performance and career development reviews	●	70
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	●	94, 114
	405-2	Ratio of basic salary and remuneration of women to men	●	117
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	●	106

Topic	GRI Standards	Report	Page	Note
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	●	64
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	●	61-63
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	●	61-63
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	●	62
	412-2	Employee training on human rights policies or procedures	●	115
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	●	50-51
	414-2	Negative social impacts in the supply chain and actions taken	●	50-51
Public Policy	415-1	Political contributions	●	83
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	●	56
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic areas	●	120 Refer to page 356 of the business report for FY2021

# SASB



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## Auto Parts Industry

Code	Topic	Accounting Metrics	Report	Page	Note
TR-AP-130a.1	Energy management	(1) Total energy consumed	●	110	
		(2) Percentage grid electricity	●		
		(3) Percentage renewable	●		
TR-AP-150a.1	Waste management	(1) Total amount of waste from manufacturing	●	111	
		(2) Percentage hazardous	●		
		(3) Percentage recycled	●		
TR-AP-250a.1	Product safety	Number of recalls issued, total units recalled	●	113	Number of recalls issued are not disclosed
TR-AP-410a.1	Design for fuel efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	●	111	
TR-AP-440a.1	Materials sourcing	Description of the management of risks associated with the use of critical materials	●	55	
TR-AP-440b.1	Materials efficiency	Percentage of products sold that are recyclable	●	44	
TR-AP-440b.2		Percentage of input materials from recycled or remanufactured content	○	-	
TR-AP-520a.1	Competitive behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	○	-	No proceedings

Note: Activity indicators under internal management but confidential

# TCFD



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	TCFD Recommendations	Page	Note	CDP Climate Change (as of 2021)
Governance	a) Describe the board's oversight of climate-related risks and opportunities	32, 33		CC1.1a, CC1.1b
	b) Describe management's role in assessing and managing climate-related risks and opportunities	35		CC1.2a
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	36		CC2.2a, CC2.3a, CC2.4a
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	36	Analysis to be upgraded and disclosed through the Net-Zero Report and on the website	CC3.3, CC3.4
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario	35		CC3.2a
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	36		CC2.2
	b) Describe the organization's processes for managing climate-related risks	36		CC2.2
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	36, 100-101		CC2.2
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	38		CC4.1a, CC4.2a
	b) Describe Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	38-39		C6, C7
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	38-39		C4

## Declaration to Support TCFD

Hyundai Mobis officially declared support for the TCFD (Task Force on Climate-related Financial Disclosures) in April 2022. TCFD is an international consultative body established by the Financial Stability Board (FSB) in 2015 for the purpose of making voluntary climate-related disclosures to accelerate investment, credit rating, and insurance undertaking decisions based on a greater amount of information. In June 2017, it established climate change-related financial information disclosure recommendations. The TCFD Recommendations set a framework for linking carbon-related information to financial disclosure data, serving as a foundation for establishing an advanced corporate information disclosure system. As a TCFD Supporter, Hyundai Mobis joins in the effort of the international community to prevent average global temperature rise and transparently discloses environmental information according to the Recommendations in order to provide useful information for stakeholders' decision making. The disclosures are also reflected to the answers to the CDP Climate Change, which provides a reporting mechanism based on the TCFD Recommendations.

# WEF IBC Stakeholder Capitalism Metrics

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## Based on Core Metrics

Theme	Metrics		Report	Page	Note
<b>Principles of Governance</b>					
Governing purpose	Setting purpose	Purpose of business related to value creation	●	5, 20	
Quality of governing body	Governance body composition	Composition of BOD and subcommittees	●	91-93	
Stakeholder engagement	Material issues impacting stakeholders	Materiality assessment	●	25-28	
Ethical behavior	Anti-corruption	Anti-corruption details and prevention activities (training, etc.)	●	102-105	
	Protected ethics advice and reporting mechanisms	Internal and external ethics advising and reporting mechanisms	●	105-106	
Risk and opportunity oversight	Integrating risk and opportunity into business process	Identification of and response to risks and opportunities	●	99-101	
<b>Planet</b>					
Climate change	Greenhouse gas (GHG) emissions	Status of GHG emissions by type	●	110	
	TCFD implementation	TCFD recommendations metrics	●	125	
Nature loss	Land use and ecological sensitivity	Information on business sites in relation to biodiversity	○	-	
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Information on business sites in relation to water stress	●	46	
<b>People</b>					
Dignity and equality	Diversity and inclusion	Composition of employees by type	●	114	
	Pay equality	Employee salaries by type	●	117	
	Wage level	Wage level	●	117	
	Risk for incidents of child, forced or compulsory labor	Information on business sites with risk	●	61-63	
Health and well-being	Health and safety	Safety incidents metrics and health service	●	118	
Skills for the future	Training provided	Training hours and cost	●	116	
<b>Prosperity</b>					
Employment and wealth generation	Absolute number and rate of employment	Employment and transfer	●	115	
	Economic contribution	Economic value creation and distribution	●	119	
	Financial investment contribution	Shareholder return	●	119	
Innovation of better products and services	Total R&D expenses	Total R&D expenses	●	120	
Community and social vitality	Total tax paid	Total Tax Payment	●	101	Refer to Annual Report

Appendix

# UN SDGs

Hyundai Mobis aims to join in the achievement of the UN SDGs (UN Sustainability Development Goals) based on various competencies including technological capacities. Accordingly, we have set response goals for each target of the UN SDGs and are performing related activities.

UN SDGs	Target	Hyundai Mobis' Activities
 <b>1.4</b>	Ensure that the poor and the vulnerable have increased access to financial and social resources	· Support the mobility convenience of children with disabilities
	<b>1.5</b>	Support resilience building of the poor and those in vulnerable situations
 <b>3.6</b>	Reduce traffic accidents of children	· Perform see-through umbrella sharing activity · Develop "A Path to School," a traffic safety educational application for children
	 <b>4.4</b>	Contribute to fostering technological and scientific talents for the future
<b>4.7</b>		Increase education for diversity and inclusion awareness raising
 <b>5.5</b>	Strengthen women's capacities and foster female leaders	· Operate a fair and rational HR management system · Establish and implement plans to expand gender diversity
	 <b>7.2</b>	Increase the percentage of renewable energy in the global energy mix
<b>7.3</b>		Improve energy efficiency
 <b>8.3</b>	Create quality jobs and support the growth of SMEs	· Perform collaboration for shared growth activities based on the Seven Beautiful Promises

UN SDGs	Target	Hyundai Mobis' Activities
 <b>12.5</b>	Strive to reduce waste through reuse and recycling	· Promote the achievement of Zero Waste to Landfill by 2025 · Implement the Good Cycling Campaign targeting employees
	<b>12.6</b>	Internalize corporate sustainability activities
 <b>13.3</b>		Enhance climate change awareness and secure response capacity
	 <b>15.1</b>	Guarantee the sustainability of inland ecosystem
<b>15.2</b>		Promote sustainable forest management
 <b>16.5</b>	Reduce corruption in all forms	· Operate the Code of Conduct and compliance programs

Appendix

# Awards and Memberships

## Awards

Name of Award	Date of Award	Issuing/Supervising Organization
Included in the 2019 DJSI Asia-Pacific/Korea Index	2019.10	DJSI
IR52 Jang Young-sil Award - iMEB	2019.04	Korea Industrial Technology Association
"Excellent Technology Award" at the Daegu International Future Auto EXPO	2019.10	Korea Academy for Automotive Engineering
Social Contribution Awards 2019	2019.12	Ministry of Health and Welfare
Citation for Contribution to Family-friendly Workplace Culture Establishment	2019.12	Ministry of Interior and Safety
Citation for Contribution to Fair Trade and Collaboration for Shared Growth Culture Diffusion	2019.12	Korea Fair Trade Commission
Family-friendly Company	2019.12	Ministry of Gender Equality and Family
Taxpayers Awards 2019	2019.12	Korean Academic Society of Taxation
Included in the 2020 DJSI Asia-Pacific/Korea Index	2020.12	DJSI
Prime Minister's Citation at the 2020 Government Awards for Distinguished Services in Sustainability	2020.12	Ministry of Trade, Industry, and Energy
Intellectual Property Management Company of the Year 2020	2020.12	Ministry of Trade, Industry, and Energy
Highest-ranking company in the Shared Growth Index Assessment	2021.09	Korea Commission for Corporate Partnership
Korea Green Mobility Awards - Innovation Award (Environment Minister's Awards)	2021.01	The Asia Business Daily
Highest-ranking company in the Consumer Discretionary category of the Korea ESG Management Awards	2021.11	The Korea Economic Daily
Included in the 2021 DJSI World/Asia-Pacific/Korea Index	2021.11	DJSI
Korea Green Mobility Awards - Technology Award	2022.01	The Asia Business Daily
Best Company in the Anti-corruption category of the 2022 BIS Summit	2022.03	UN Global Compact Network Korea (UNGC Korea)
Good Advertising Selected by Citizens	2022.03	Korea Advertisers Association
2022 Jungang ESG Management Awards	2022.04	Ministry of Trade, Industry, and Energy
iF Design Awards 2022 (Interior Architecture, Professional Concept category)	2022.04	iF Design
IR52 Jang Young-shil Award - High-voltage battery system	2022.04	Korea Industrial Technology Association
The Hankook Ilbo Korea 100 ESG Champions	2022.05	The Hankook Ilbo

## Sustainability Initiatives

Initiative	Purpose of Affiliation
RE100	To secure a driving force for achieving 100% renewable energy transition
SBTi	To pledge science-based reduction goal setting internationally, and complete verification by 2023
TCFD Supporter	To participate in the global effort for climate change response
UNGC Network Korea	To comply with the Ten Principles of the UN Global Compact

## Memberships

Organization	Purpose of Affiliation
Seoul Chamber of Commerce and Industry	Compulsory membership according to the Chamber of Commerce and Industry Act, to issue documents for export and import operations, etc.
Korea Enterprises Federation	To propose cooperation and policies for establishing a labor - management cooperative system
Korea Auto Industries Cooperative Association	To promote cooperation among related companies for automotive industry development
Fair Competition Federation	To exchange information and opinions with the government and other companies for fair trade compliance
Korea International Trade Association	To obtain trade information about export and tariff and propose policies
Korea Automotive Recyclers Association	To preserve environment by the automotive industry and increase the recycling rate of automobiles
Korea Industrial Technology Association	To activate the technological cooperation network and strengthen technological innovation capacities
The Korean Society of Automotive Engineers	To promote technological development by sharing automotive-related scientific technologies
Hydrogen Convergence Alliance Propulsion Team	To provide financial support and propose business models for hydrogen energy diffusion and transition to low carbon, eco-friendly economy

## Verification Statement on 2021 Greenhouse Gas & Energy Inventory Report

### ■ Introduction

Korean Foundation for Quality (hereinafter 'KFQ') has been engaged by Hyundai Mobis Corporation. (hereinafter 'Company') to independently verify its 2021 Greenhouse Gas Emission & Energy Consumption Report (hereinafter 'GHG Inventory').

It is the responsibility of the Company's management to compile the Inventory Report and the emission quantity report by "Greenhouse Gas Emissions Trading Scheme" run by the government of Korea and KFQ's responsibility is provision of opinions on the Inventory Report after verification according to ISO 14064-1, ISO 14064-3 and national scheme.

### ■ Verification Scope and Standard

KFQ's verification was focused on all of the greenhouse gas emission sources (direct emission and indirect emission) controlled by the Company's places of business nationwide.

'Guidelines on the Reporting and Certification of Emissions of Greenhouse Gas Emission Trading Systems (Notification No. 2021-278 of Ministry of Environment & IPCC Guidelines 2006)' were mainly applied in verification process but also the Company Guidelines for GHG Inventory was considered.

### ■ Verification Procedure

The Verification has been planned and conducted by the "Greenhouse Gas and Energy Target Management Scheme", and to reach reasonable level of assurance.

### ■ Limitations of verification

The accuracy and completeness of the emissions data shown in the greenhouse gas inventory contains inherent limitations that can arise depending on the characteristics, calculations, and estimation of the data.

### ■ Conclusion/Opinion

Based on verification process according to the ISO 14064-1, ISO 14064-3 and national scheme., KFQ obtained reasonable basis to express the following conclusion on the greenhouse gas emission data(as scope 1 and scope 2) in the Inventory Report.

As a result of Hyundai Mobis' assessment of the importance of greenhouse gas emissions at all domestic workplaces in 2021, it is a company with a quantitative standard of less than 500,000 tCO<sub>2</sub>-eq, which is a requirement for reporting and certification of greenhouse gas emissions trading system.

Report year	Greenhouse Gas Emission (Unit : tCO <sub>2</sub> -eq)		
	Direct Emission (Scope 1)	Indirect Emission (Scope 2)	Total
2021	22,093	151,323	173,416

※ The above GHG emissions are cut in units of integer for each scope and a difference of less than ±1 tCO<sub>2</sub>-eq from the actual value of the system may occur.

April 6<sup>th</sup>, 2022

President & CEO Korean Foundation for Quality

**Ji Young Song** *Ji Young Song*

Appendix

# Independent Limited Assurance Report



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About This Report



We were engaged by Hyundai Mobis to provide limited assurance on the 'Hyundai Mobis Sustainability Report 2022' for the fiscal year of 2021, which was completed in May 2022 (hereinafter 'the Report').

### Context and Scope

Our engagement was designed to provide limited assurance on whether the Report is presented fairly, in all material respects, in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI).

We do not provide any assurance on the achievability of the objectives, targets, and expectations of Hyundai Mobis.

The scope of our engagement on non-financial data conforms to the KPMG Sustainability Assurance Manual™ (KSAM™), including the aspect of "materiality". With regards to financial data, our procedures were limited to verifying that they were correctly derived from audited financial statements. To obtain a thorough understanding of Hyundai Mobis's financial results and position, the audited financial statements produced on March 8, 2022 should be referred to.

### Responsibilities

As stated in the 'Reporting Principles and Standard,' Hyundai Mobis is responsible for all content within the Report in respect of the GRI Sustainability Reporting Standards. It is the responsibility of Hyundai Mobis's management to establish and maintain appropriate performance management and internal control systems from which the reported sustainability information is derived.

Our responsibility is to perform a limited assurance engagement and to express a conclusion based on the work performed.

### Independence

In conducting our engagement, we have complied with the requirements of the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants, issued by the International Ethics Standards Board for Accountants. We do not engage in all activities that may influence our independence from Hyundai Mobis.

KPMG Samjong Accounting Corp. has systems and processes in place to monitor compliance with the Code, and to prevent conflicts regarding independence.

### Assurance Standards

We conducted our engagement based on the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. The standard requires that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform the engagement to obtain limited assurance on whether the Report is free from material misstatement.

### Limitations

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement, and consequently does not enable us to obtain assurance on all significant matters that we may become aware of in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

This report has been prepared solely for Hyundai Mobis in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Hyundai Mobis for our work, or for the conclusions we have reached in the assurance report.

## Main Assurance Procedures

Our engagement was designed to provide limited assurance on whether the Report is presented fairly, in all material respects, in accordance with the reporting criteria. Procedures performed to obtain a limited level of assurance on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included the following:

- Confirmation on whether the financial information presented in the Report was correctly derived from Hyundai Mobis's audited financial statements
- Inquiries to gain an understanding of Hyundai Mobis's processes for determining the material issues for key stakeholder groups
- Interviews with corporate's working-level staff responsible for providing the information in the Report
- Visits to the company's headquarter office to understand the systems and processes in place for managing and reporting the sustainability data
- Comparing the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, Hyundai Mobis's performance on non-financial value creation

## Opinion

### · Stakeholder Inclusiveness

- Hyundai Mobis identifies the key interests of major stakeholders, such as shareholders and investors, employees, customers, partners, government, and local communities, and operates appropriate online and offline communication channels.
- Through a review of the Report preparation process, we found that no major stakeholder groups were excluded from Hyundai Mobis' stakeholder engagement process.

### · Sustainability Context

- Hyundai Mobis focuses on interests of key stakeholders, such as shareholders & investors, employees, customers, suppliers, government, local communities, and operates proper online/off-line communication channels
- We are not aware of any key stakeholder group that has been excluded from dialogue in the Report.

## Sustainability Context

- Hyundai Mobis has established a process to incorporate ESG in management's decision-making and the business management plans of relevant teams, thereby securing continuity.
- We confirmed that Hyundai Mobis recognizes general business management and social responsibility management comprehensively and applies such understanding within the Report.

### · Materiality

- Hyundai Mobis conducts a materiality test in determining key reporting issues.
- We are not aware of any material aspects concerning its sustainability performance which have been excluded from the Report.

### · Completeness

- Hyundai Mobis applies reporting scope, boundary, and temporal criteria.
- In terms of criteria mentioned above, we confirm that the Report is suitable for stakeholders to assess social responsibility performance.

Based on the procedures performed, as described above, nothing has come to our attention to indicate that the Report is not presented fairly, in all material respects, in accordance with the reporting criteria.



June 2022

KPMG Samjong Accounting Corp.  
CEO Kim, Kyo Tai

A handwritten signature in black ink that reads 'Kyo Tai Kim'.

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## Reporting Overview

Since 2010, Hyundai Mobis has annually published the sustainability report to inform stakeholders of the progress of its social responsibility activities in the economic, social, and environmental domains. The reporting topics and areas were selected in accordance with the materiality test to reflect stakeholder opinions, and this 13th Hyundai Mobis Sustainability Report faithfully presents the company's efforts and performances.

## Reporting Period

This sustainability report covers our operations from January 1, 2021 to December 31, 2021. For quantitative reporting, it includes data from 2019 to 2021. For important areas of performance outside of the reporting period, issues up to May 2022 were covered.

## Reporting Scope

This report covers the sustainability practices of Hyundai Mobis including its headquarters, domestic manufacturing sites, R&D centers, and parts centers. For overseas business sites, selective information (GHG emissions and energy consumption status, status of local employees, sales by region, etc.) is included. The scope of data included in this report is 100% for domestic operations.

## Reporting Guidelines

This report has been prepared according to the Core Options of the Global Reporting Initiative (GRI) Standards. Consolidated financial information is used in this report, and the reporting criteria and definitions are in accordance with K-IFRS. Both financial and non-financial information are presented based on our fiscal year in accordance with the internal disclosure systems, and data on greenhouse gas emissions and energy consumption are reported based on the results of verification. Any major changes in information are noted separately.

## Reporting Assurance

The objectivity and credibility of this report in terms of its preparation process, disclosed data, and content have been verified through third-party assurance by KPMG Samjong Accounting Corp, a specialist assurance agency. The assurance statement is included in the Appendix of this report.

## Sustainability Report Publication

**Published by:** Hyundai Mobis

**Date Published:** June 2022

**Planning and Supervision:** ESG Planning Team,  
Planning Division

**Verification:** KPMG Samjong Accounting Corp. Korean  
Foundation for Quality

**Design:** reddot branding

## Contact Information

Hyundai Mobis ESG Planning Team

(06141) 203, Teheran-ro, Gangnam-gu, Seoul, Korea

(+82) 2-2018-5114

kmkim@mobis.co.kr

## Divisions Cooperating in Report Publication

- Strategy Planning Team
- Strategic Corporate Development Team
- Business Enablement Team
- Compliance Team
- Intellectual Property Team
- PR Team
- Green Strategy Team
- CSV Strategy Team
- IR Team
- Accounting Team
- Finance Team
- Tax Team
- Internal Control & Strategy Analysis Team
- Business Improvement Group
- People Support Sector
- Work & Life Support Team
- Information Security Team
- Labor Relations Cooperation Group
- Electric Powertrain Business Planning Team
- Automotive Electronics Business
- Management Group
- Chassis/Safety Business Planning Team
- Module Business Planning Team
- Service Parts Planning Team
- Lamp Business Planning Team
- Quality Management Team
- SHE Support Team
- Environment Management Team
- Procurement Strategy Team
- Win-win Collaboration Team
- Trade Regulation Compliance Team
- CKD Management Team
- Global Procurement Management Team
- Service Parts SHE Team
- Service Parts Technology Innovation Team
- Service Parts SHE Team
- Domestic Marketing Team
- Quality System
- Electronics Quality Control Group
- Safety & Environment Quality Team
- R&D Strategy Development Team
- Materials Research Sector
- Fuel Cell System Development Cell
- Creative UX Cell
- Smart Factory Development Team
- Employee Stock Ownership Association

# 10 Principles of the UN Global Compact



Since 2008, Hyundai Mobis has been participating as a member of the UN Global Compact (UNGC). We will continue the effort to comply with and internalize the Ten Principles of the UN Global Compact.

## Human Rights

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2. make sure that they are not complicit in human rights abuses.

## Labour

Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4. the elimination of all forms of forced and compulsory labour;

Principle 5. the effective abolition of child labour; and

Principle 6. the elimination of discrimination in respect of employment and occupation.

## Environment

Principle 7. Businesses should support a precautionary approach to environmental challenges;

Principle 8. undertake initiatives to promote greater environmental responsibility; and

Principle 9. encourage the development and diffusion of environmentally friendly technologies.

## Anti-corruption

Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.

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COMMUNICATION  
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

HYUNDAI  
MOBIS